

## **Consensus, majority rule and managerialism in local government. Norwegian experiences and prospects.**

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Consensus has been a predominate ideal in Norwegian local government. The political culture is characterised by shared values, like support of the welfare state. The consensus ideal is also visible in the framing of the local government system. Broad participation in the decision processes is aimed at by a system of proportional representation in the municipal council (kommunestyre) and the executive (formannskap). Until recently, a qualified majority was also required in most of the decisions made by a council. This consensus model in Norwegian - and Scandinavian - local government is often contrasted with the models of other countries. Thus the more politicised model of Southern Europe is considered to be characterised by party rivalry and concentration of power, while the Anglo-American model emphasises management and cost efficiency (Baldersheim and Goldsmith 1993).

Today, alternative government models are gaining ground in Norwegian communes too (Bukve and Hagen 1991, 1994). On the one hand, the capital city Oslo and Hedmark county municipality have tried out a parliamentary model, strengthening the position and responsibilities of the majority (Baldersheim and Strand 1988, Hagen 1991). This model implies that the municipal government is dependent on the majority in the municipal or county council. On the other hand, management models emanating from the business world are a source of reforms aiming at increasing the effectiveness of the communes as service businesses (Bukve 1991). This line of thinking has been influential during the last years, not least on the ideological level.

The new Norwegian Local Government Act, that came into operation from January 1993, has also given the communes more freedom to choose between different government models. In addition to the traditional aldermen model (formannskapsmodellen), it is now possible to choose a parliamentary model or to organise the municipality according to the principles of management models. The increased freedom also means that the communes have got the opportunity to organise according to market models. Thus, we may experience more organisational differentiation among Norwegian communes in the future.

An important question in organisation theory regards the consequences of particular organisation structures. My intention in the paper is also to pose this question. I have chosen the labels consensus democracy, majority rule and management models for the local government models in question. A cross-national study is needed if one wants to cover the possible range of variation in local government models. On the other hand, cross-national comparison is difficult because many other factors, like tasks, central-local relations and political culture, vary simultaneously. For this reason, it may be useful to compare within a national setting, even if the range of models within a nation is narrower. In this article, I will discuss what effects the three government models have for role perceptions, decision styles and budget discipline in Norwegian communes.

## GOVERNMENT FORM AS INDEPENDENT VARIABLE

In the debate over democratic government models, consensus democracy and majority rule (Lijphart 1984, 1991) are key concepts. As far as I know, this distinction has not been used in a systematic way in comparative studies of local government models. But, with some modifications, it is possible to use these concepts even in the study of the institutional forms of local government.

The mainstream of political science has considered majority rule, with a choice between clear-cut alternatives, as the prototype of democratic government. Political stability, a strong leadership and well-defined responsibilities are often emphasised as the main advantages of majority rule. On the other hand, the merits of consensus democracy lie in high legitimacy attained through just representation and responsiveness through a more dispersed representation.

Lijphart (1984) has argued that consensus democracy is most suitable in a society where conflicts are strong. In such a situation, restrictions on the use of power by the majority can be useful to prevent a breakdown of the society. On the other hand, it is argued that the consensus model will tend to maintain status quo. The mechanisms intended to prevent abuse of power can also give a veto to conservative minorities. The reply of the defenders of consensus democracy is that such a view focuses more on formal decisions than on policy implementation. Majority rule can make it more easy to make decisions about changes, but dissatisfied minorities may prevent real changes in the implementation process (Steiner and Dorff 1980). Thus, informal decision mechanisms based on consensus and a shared ideology can be more effective in creating real changes than formal decisions which give the minority a chance to avoid any responsibility for the decision and the outcome (Brunsson 1984, Steiner and Dorff 1980).

Management models are phenomena belonging to the last decade. Their roots can be found in the Anglo-American tradition of local government, with emphasis on cost efficiency and orientation towards the market or the customer (Olsen 1993). In this tradition, little is said about the normative and ethical foundations of democracy as a form of government. More attention is given to rational leadership and adaptation to customer preferences than to the shaping of a public opinion through democratic procedures and processes. In this tradition the municipalities are not primarily bearers of a general territorial competence, but a conglomeration of functional service-delivering agencies.

The argument in favour of the management model maintains that this model will lead to a more efficient use of resources than the political/bureaucratic models, and also that it will be more responsive to user demands. Much of this argument is based on an ideal model of the market, presented as a decentralised decision system where the customers/consumers in the last instance decide what is to be produced. They express their needs, the producers adapt and produce what is demanded. The prices are a result of demand and free competition.

In relation to government the market model may be used in different ways. In the first variant of the model, the users of public services will be considered as customers. To make this kind of model work, the customers must have the opportunity to choose between service producers. Public monopolies in the service sector must be abolished. Public support ought to be given as cash support to the service users. Thus they will be able to buy the services where they get most for their money. Such a way of thinking implies that the responsibility of political bodies for giving priority to and co-ordination of service production will be diminished. Quality and price are to be decided through competition in the market.

The second variant of the market model looks at the politicians as customers and the administration as producers of services. In this model a more clear-cut division between politics and administration is demanded. The politicians have to order the kind of services they want, with specifications of quality and price. When the bargain between customers and producers is settled, it is the administration's task to produce the services according to the specifications. This model also entails that the public monopoly in service delivery has to be abolished. Public agencies and institutions will have to compete with private businesses. The relationship between the politicians/customers and the producers is based on contract.

Still another variant of management thinking in the political system focuses less on market-simulation and more on transfer of management techniques from private businesses to the public sector. Politicians are considered as share owners and goal producers. The main field of interest lies in producing management techniques for more efficient administration and service production, like Management by Objectives and framework budgeting, with focus on spending targets for each policy area rather than incremental changes to existing budgets. With regard to the politicians, a change in roles is considered more important than institutional change, but most recommendations stress the need for concentration of political power.

These types of management models may be combined, but they build on different assumptions about the role of politicians. They have also been criticised from different points of view. The management model has been criticised for promoting an untenable view of politics and the role of politicians. Politicians are elected to represent different values and interests. The view of the politicians as producers of unambiguous goals is naïve in relation to the way real political processes take place (Bukve 1991a, Offerdal 1989). Additionally the view that competition creates efficiency in public services is not supported by current research (Støkken and Nylehn 1991). This leads to a questioning of the efficiency of privatisation compared to a strategy of decentralisation and organisation development within the framework of public administration.

#### A typology of government models

We can distinguish between majority rule, consensus democracy and the management model on several dimensions.

1. The power basis of the executive is different: In the majority model it is the majority of the council, in the consensus model it is the community as a whole, and in the management model it is technical competence in management and service production.
2. The typical electoral system or participation form will also differ: The typical election system in majority is plurality elections, and in the consensus model it is proportional representation. In the management model participation is realised through a preferential voting or political money system, where the citizen-consumer has several votes to distribute among candidates according to his or her preferences (Coleman 1970).
3. The degree of politicisation is typically high in the majority rule-system, low in a consensus system or management-based system.
4. The competence of the local government is typically a broad territorial competence in the majority and consensus models, while it is a functional competence in the management model.

A difference in government forms that is not accounted for by our models, is the difference between government models with a single-person executive and models with collective executive bodies or a fragmented executive. This distinction may be viewed as a modification of Lijphart's (1992) distinction between presidential and parliamentary democracy. Taking this distinction into account, we can combine the dimensions of executive form and government model in a six-fold table. This is done in Table 1.

**Table 1: Typology of government models**

Government form	Majority rule	Consensus democracy	Management model
Executive structure			
Single-person executive	Partisan mayor	Non-partisan mayor	Corporate manager
Collective or fragmented executive	Majority executive (parliamentary model)	Coalition executive (aldermen model)	"Contracting out" committee

Within majority rule, we can make a distinction between a form with a municipal government based on the majority in the council and a model with a strong mayor. An example of the first category is the Italian model organised around *la giunta comunale* (Vandelli 1992), while the French *maire* is the prototype of the second form (Hoffmann-Martinot 1993).

Within a consensus model we may draw a distinction between a model where the executive is elected by proportional representation, like the Norwegian *formannskap*, and a model with a strong, but non-partisan *mayor* which we can find in a number of US municipalities (Bowen 1980, Wolman 1990).

Within the management model, the distinction will have to be drawn between a form with a strong manager, found in US municipalities with the *city-manager form*, and a market-simulating model where the role of the council is to contract out services to private businesses, organisations and others. In the UK, this model has been labelled "*the contracting-out committee*" (Batley and Stoker 1991). In New Zealand, too, local government has recently been reorganised according to this model (Weller 1991). The variant from which we have Norwegian data, is the managerial model. Only recently have Norwegian communes shown some interest in the contracting out-model.

The placing of countries within this typology will have to be modified due to national characteristics and internal variations. Thus, the degree of politicisation in UK local government has usually been high and increased during the 80's, while in the ideal type we would expect a low degree of politicisation to be associated with the management model. Local government models do not usually exist as "clean" ideal types. Many of the forms we actually find are hybrids in some or other way. However, the examples above show that our typology is relevant enough to catch important variations in local government models.

### The dependent variables

In principle, institutional forms can have effects on both the input side of the political system, the internal processes and on policy output. Here, the object is to analyse the process aspect and some dimensions of the effects on policy output. If the organisation of local government does matter, the political process and policy performance should vary according to the variation in organisational settings found between countries and often within countries.

A main problem to be analysed is the consequences of institutions for the role perceptions and mental maps of the local politicians, and consequences for decision styles in the political bodies. Another problem is to analyse the effects of institutional differences on the output side. In this respect, the intention is to explore effects on budget discipline, and also effects on service production.

### LOCAL GOVERNMENT IN NORWAY - A CASE OF CONSENSUS DEMOCRACY

Using the suggested typology as our point of departure, we will find that the Norwegian system of local government shows several features of the consensus democratic model (Lijphart 1984, 1990). This is indicated by the structure of the representation system, the power basis of the executive board and the low degree of politicisation of local government. After a basic introduction to the tasks and structure of Norwegian local government, I will discuss these features of Norwegian communes. In the last part of the article, I will present some recent changes in local government organisation and discuss the effects of these changes.

### Basic features of Norwegian local government

Today, Norway has 435 communes and 18 county municipalities. The capital Oslo has a special status, being a commune but including the responsibilities of a county. The average municipal size is about 9,900 inhabitants. Roughly, about one-third of the communes have less than 3,000 inhabitants, one-third between 3,000 and 7,000, and the remaining third more than 7,000 inhabitants. After the last amalgamation of communes in the 1960's, there are left only a few municipalities with less than 1,000 inhabitants. In a recent government report (NOU 1992:15), it is suggested that the standard minimum size of a commune should be 5,000 inhabitants. This is considered to be a necessary size for effective service production and reduction of pro capita administrative costs. There will probably be a new amalgamation process before the end of this decade. But it is difficult yet to predict how far-reaching this process will be. This will depend upon a political contest with classical demarcation lines: one the one hand considerations of effectiveness and costs, on the other hand care for the conditions of local democracy.

The legal arrangements concerning local government can be divided in the Local Government Act and the so-called special legislation. The Local Government Act primarily concerns matters of procedure and organisation of the local political bodies. Formally, the freedom of the communes is said to be "negatively restricted". The communes may involve themselves in any matter that is not the statutory responsibility of other bodies or agencies.

Compared to Britain and Southern Europe, Norway and the other Scandinavian countries are characterised by a higher degree of "legal localism" (Page 1991). However, the manoeuvre space of Norwegian communes ought not to be overestimated. There has been a long-term trend towards closer integration of national and local

government policies, rooted in considerations of redistribution, equality, cost efficiency and macro economic policy needs (Kjellberg 1991). Even if the new Local Government Act and other recent reforms gives the communes more freedom in procedural affairs, the purpose of this freedom is not only to increase the autonomy of local government.

#### The representation system

Proportional representation and a multi-party system is considered to be the basic features of the representation system in a consensus model. In both respects, Norway fits into the model. The municipal council is elected by proportional representation for a four-year term. The average size of the council is approximately 30 members<sup>1</sup>. In the last years, Norway has had eight parties usually getting more than one percent of the total votes at national and local elections. Six of these parties had more than five percent of the votes at the last municipal election (1991). Those parties will get seats in most of the communes where they have a local party caucus and run for elections. Thus, the majority of the Norwegian parties are represented in most of the councils.

The party-system is truly multi-dimensional, allowing for different alliances depending on the type of issue. Since 1961, no single party have had a majority in the Norwegian parliament. And even at the municipal level, an absolute majority by one party is a deviant case. The need for coalitions and consensus building is obvious.

The mayor is elected by the council among its members. Election of mayors can be considered as an indicator of coalition behaviour in the municipal councils. But usually, mayoral election coalitions are not stable voting coalitions. Most often, the partners in a mayor election have no obligations to cooperate after the election. Only in a very few cases, a coalition platform or at least a decision to establish some kind of formalised co-operation is found.

#### The power basis of the executive

The municipal executive board is elected by and among the members of the municipal council. Until 1993 it was required by law that one-quarter of the members of the council should be elected to the board. The Local Government Act of 1993 permits the municipalities to choose the number of members of the board, with a minimum membership of five. The board is elected by proportional representation, so that the parties are represented on this board on the basis of their strength on the municipal council. Thus, the executive board are recruited from the council as a whole, not only from the majority. This method for selection of the executive board is within the tradition of the *aldermen* model, where the members of the executive board are chosen among the most experienced council members of all parties. The municipal executive board is responsible for presenting a budget proposal for the council, and usually make recommendations in cases for consideration by the municipal council. The board can also be empowered to render decisions in certain cases.

Lipjhart (1984) argues that in a majority system, the executive is able to dominate over the elected assembly due to the possible threat of resignation. In a consensus system, the power will be more divided between the executive and the assembly. One question is whether Lijphart's argument takes into consideration the possible variations in coalition behaviour within the two systems. If we have a system with proportional representation and without any kind of formal coalitions at the party level, it is possible for the executive to become the most important arena for negotiations and construction of majority blocks from one case to another.

In fact, the executive board seems to have such a strong position in Norwegian communes. A usual complaint is that the role of the municipal council has declined. While the council used to be the most important decision-making arena, nowadays it is only rubber-stamping the recommendations of the executive. One reason for this is that the case-load has increased and the decisions have become more complex, making it more difficult to push forward new proposals in the last stage of decision-making. Another reason is that the councils have not been able to take on a leadership role through a process of strategic policy-making or formulation of broad guide-lines for the work of the administration and the executive.

Of course, considerable obstacles to a strategic policy-making is inherent is the nature of politics itself. Politicians are representatives of the people. This means that they are elected in order to represent contrasting interests and promote different solutions. Where a stable majority coalition is not found, the formulation of policies will have to become piecemeal. It can be argued that the structure of consensus government, with its built-in safeguards against abuse of power by a majority, increases the barriers towards strategic policy-making. But one obstacle to formulation of broader political guidelines also seems to stem from another source, that is from a relatively low degree of politicisation in the system.

#### The degree of politicisation

Most electoral lists in Norwegian communes are party-political lists. In some communes, especially small, rural municipalities, local lists may be found. During the last decades, the number of local lists have been declining. But in the municipal election of 1991, local lists won more seats than in the election of 1987. But they still got only about 5% of the total number of seats. Some observers have been speaking about the 1991 elections as a revival of community-based politics, a conclusion that may seem somewhat exaggerated.

Even if the political parties are controlling recruitment to local government bodies, a high degree of politicisation within these bodies should not be taken as granted. At least two crucial factors are working to reduce the importance of the party dimension at the local level. Firstly, the municipal bodies do not control the income side of the budget. Secondly, the communes have wide responsibilities in implementing national policies. This means that a large part of the local government's activities consists of implementation of policies launched by the national government.

Formally, Norwegian communes have a general competence as territorial political bodies. The communes may involve themselves in any matter that is not the statutory responsibility of other bodies or agencies.

But the commune's possibility to collect taxes for new tasks is limited. The main sources of income for the communes are income taxes and state grants. The maximum level of income tax is fixed by the state, and today the maximum level is used by all of the communes. The political contest in the communes is confined to allocate a more or less given amount of money. Since disagreement about the level of public spending is one important dividing line between the political parties, this means that party politics at the local level are politics under restrictive conditions.

Secondly, the communes have vast responsibilities in the implementation of national policies. Special legislation gives the Norwegian communes responsibility for providing a wide range of services to the inhabitants. The services of the welfare state are mainly provided by the communes. Standards for the provision of these services are often given by the national legislation. What is left to the local government bodies, is to

allocate a limited amount of financial resources between a range of obligatory tasks and to give priority to the different tasks.

The logic behind the system is that national policies need to be adapted to local conditions. The local politician's role is to be a representative of the common man, the layman, and thus a balancing force towards the power of the administration in policy implementation. With help of the layman's judgement and balancing power, representation of the local inhabitants and implementation of national policies can be reconciled. The local politician's role is a reactive one. The main task is to adapt national policies to local conditions, not so much to take political initiatives of their own. In a comparative perspective, Norway can be characterised by a lower degree of political localism (Page 1991).

#### TURNING LAYMEN INTO LEADERS - WHAT HAS REALLY CHANGED?

During the after-war period, there has been a steady growth in Norwegian local government. Most of this growth was related to the adoption of new welfare tasks, usually initiated and partly financed by the state.

The growth raised the importance of local government, but at the same time problems were created. A crucial problem was how to control costs at the local government level (Baldersheim 1993). A fragmented decision structure at the municipal level, and the strength of alliances between sector politicians, professionals and clients, were seen as important sources for this problem. The forces demanding more services and more spending had a strong position compared to those with responsibility for co-ordination and balancing of the budget.

Several reforms attempted to change this situation. Firstly, the fragmented committee structure was reformed from the end of the 1970's. Before this reform, the average commune could have 60-80 different committees, each with a specialised task. The solution was to create four or five sector committees for the main local government sectors, integrating all committees within the sector in a main committee called a principal standing committee<sup>ii</sup>.

Secondly, the relation between state and local government has been changed in order to increase the communes' ability to decide the priorities of their tasks and take responsibility for their own effectiveness. An important part of this was the reform of the grant system. A block grant system was introduced in 1986 to replace a system where state grants were given as ear-marked grants for specific tasks. The free-commune experiments from 1987 were especially geared towards the need for more innovative communes. And the new Local Government Act has given the communes more freedom to organise their own affairs.

Lastly, it has been attempted to create a stronger political leadership. These attempts are taking municipal leadership in two directions. First, a couple of municipalities have experimented with a parliamentary model, concentrating political power in the hands of the council majority. This, it has been argued, would create clearer responsibilities for the decisions taken and promote a more strategic leadership.

Another road to a stronger political leadership has been through the introduction of new management techniques, like Management by Objectives and frame budgeting. The argument runs that politicians should not spend their time working on details. Rather, they ought to concentrate on broad strategies and guide-lines for the work of the administration. Arrangements for a more clear-cut division between administrative and political tasks was another aim for those defending a new view of the role of politicians.



Thus, the challenges to the dominating consensus model in Norwegian local government is closely connected to the desire for a stronger and more effective political leadership. The politicians ought to change their roles from laymen into leaders. But what has really come out of the different attempts to change the organisation models and political roles in Norwegian local government? That question I will try to illuminate in the following section.

## EXPERIENCES WITH PARLIAMENTARISM IN NORWEGIAN LOCAL GOVERNMENT

After the elections of 1995, the new LGA permits Norwegian communes to introduce majority rule by choosing a parliamentary model of local government. Until now, a parliamentary model has been tried in the capital city Oslo since 1986 and in Hedmark county municipality in the period 1988-91<sup>iii</sup>. I consider these experiments the most far-reaching in introducing new local government models in Norway so far, and in particular the most relevant for our discussion of the effects of government models.

In table 4, we compare the different parliamentary structures with the structure of the traditional aldermen model. The table shows that the model allowed in the new LGA is most similar to the model chosen in Oslo. The model in Hedmark was somewhat different from a standard parliamentary model, since a vote of no confidence to the county government was not possible. Another special feature of the Hedmark parliamentarism was that the members of the county government had to be recruited from the county council.

In the public debate on parliamentarism the change to majority rule has been considered as a means to create clearer responsibilities and a better co-ordination of the government's decisions. The expectation is that majority rule will strengthen leadership and increase attention towards long-term goals. A special focus in the debate has been the need for clearer responsibilities in financial steering. In a consensus model with strong sectors, it is too easy for changing majorities to pass cost-increasing decisions, without having to take responsibility for balancing the books.

To the contrary, it is claimed that majority rule will create a dangerous concentration of power and weaken the rights of the opposition. From this position, broad participation in decision processes and sharing of power is considered an advantage. Thus, the arguments in the Norwegian debate sounds much in tune with the arguments found in the political scientists' discussions of majority rule versus consensus democracy.

### Parliamentarism in Oslo and Hedmark

Oslo has since 1986 a seven-member city government with support from the majority of the city council. The cabinet members are responsible for particular administrative sectors, but they have a collegial responsibility for decisions in the government and instructions to the administration.

An evaluation of the city government's first years (Baldersheim and Strand 1988) concluded that the experiment had several ambitious goals pulling in different directions. The level of accomplishment of the different goals were uneven. What is accomplished, is a more exactly located political responsibility, a more integrated and strategic policy-making and a strengthening of the politicians compared to the administration. Power has been concentrated in the city government, while the council has lost power. Frustration among administrative leaders was a negative product of the

reform. The administrative leadership represents a competence resource that is lesser used than before the reform. Lastly, the evaluators found that the reform had small consequences for service production. Their conclusion is that such changes must be initiated at the street bureaucrat level. There are loose couplings between overall structural reforms and service to the inhabitants.

Hedmark county municipality chose a small county government with three ministers, elected by and among the members of the county council. There was not possible to raise a vote of no confidence to the government. Thus, the Hedmark model is not a complete parliamentary model. In the evaluation (Hagen 1991) of the Hedmark parliamentarism, a concentration of power in the city government also was found. Among the council politicians, it is especially the members of the opposition who experience that their influence is reduced. Much of the reason is that decision processes are more closed than before the reform. When Hagen compares financial data from Oslo, Hedmark and counties without a parliamentary model, he concludes that financial steering and budget discipline is not better in the counties with majority rule.

While Oslo has continued with their parliamentary model for eight years, Hedmark returned to the old model in 1992 after heated political discussions in the council.

#### Parliamentarism, political roles and decision styles

The experiences with parliamentarism show that what was expected from a majority government model partly has been fulfilled. Concentration of power and a relative strengthening of local politicians compared to the administration is attained through introduction of majority rule. Particularly, it is the top political leadership who has become more visible and gained a stronger position. Responsibility can be placed more precisely than before. The opposite side of this coin is that the opposition's influence and access to information is reduced.

What we have not been able to study yet, is the possible consequences of parliamentarism on political culture and political contest in Norwegian local government. One first question is to what extent local authorities in Norway will choose majority rule. And if they do, how will parliamentarism affect political culture? Will we find more polarisation and competition between political alternatives? Or is the potential for political conflict within Norwegian local government to limited to cause such effects?

*Table 2: Varieties of parliamentarism compared with the aldermen model*

Model	Aldermen model	LGA parliamentarism	Oslo	Hedmark	Norway
Central traits					
Appointment	Proportional	Plurality	Plurality	Plurality	The king upon advice from the President of the Parliament
Recruitment	Council	No/few restrictions	No/few restrictions	County council	No/few restrictions
Recommendations to the council	Executive board as collegium	Government as collegium	Government as collegium	Government as collegium or delegated	Government as collegium
Vote of no confidence	Not possible	Possible	Possible	Not Possible	Possible
Power to instruct the administration	Mayor / chief executive officer	Collegium or delegated to each minister	Collegium	Collegium	Minister

### Parliamentarism and policy performance

The evaluations of local parliamentarism concluded that expectations about a better financial management has not been fulfilled. Several reasons may explain this. One reason is that local politicians is devoted to producing service for the inhabitants more than to financial steering. Another reason is that the local politicians have only limited possibilities to influence the income side of their budgets. Their responsibility is restricted to allocating expenses within given frames.

The conclusion also was that the introduction of parliamentarism had few if any effects on service production. The link from top-level politics to the performance of street bureaucrats does not seem to be very close.

### MANAGERIALISM IN NORWEGIAN LOCAL GOVERNMENT

The efforts to strengthen political leadership have taken place in an ideological atmosphere where much of the premises and arguments has come from the private business sector and more specified from the introduction of corporate management techniques in English local government during the 70's (Baldersheim 1986). Much of the rhetorics around the reforms has been borrowed from this tradition. However, it would be an exaggeration to claim that the Norwegian local government in the 80's has been reformed according to the principles of corporate management. Most of the basic features of the consensus model still are alive in the vast majority of communes. But some local governments went further than the standard introduction of principal standing committees and new techniques like MbO. They tried to reorganise the commune entirely according to the principles of corporate management in the private sector. The municipal council was assumed to take the role of the concern's general meeting. The executive board was given responsibilities similar to the company board. The mayor's role was to be the chairman of the board, and the head of the municipal administration was analogous to the company CEO.

The more market- and consumer-oriented strand of management models was not much influential in Norwegian in the 80's. These ideas belong to a later wave, only appearing in the last few years (Baldersheim, 1993).

### Corporate management in Selje

In Norway, no commune have tried to introduce the corporate management model as completely as Selje, a small rural and fishing community in Western Norway (Bukve 1991). Selje participated in the Free Commune Program in the years 1987-1990. In this period, the commune tried out a thoroughbred corporate management model. I will briefly describe the case of Selje to illuminate the potential of the managerialist models to change the political processes in local government.

In the outline of the experiment, the municipal council's role was changed to have only two meetings every year: One meeting to decide upon the budget for next year, one to decide upon the long-term structure plan. All other decisions were delegated to the executive board, the standing committees and the administration. Frame budgeting was introduced. Only the total amount given to each committee sector should be finally decided in the council. The executive board was raised to the position of the strategic apex in "Selje Ltd.", as the commune metaphorically was called.

What really happened in Selje, was that the entire experiment crash-landed within three years. Struggles of competence evolved between the council and the board.

In principle, all specific decisions on loans, investments, establishment of new services or changes in established services was the responsibility of the board, within the general budget frames and plans decided by the council. In practice, budgets and plans did not provide the necessary guidelines for all board decisions, and the aggregated effects of the specific decisions in the board made it necessary to adjust budget frames and plans. The consequence of this situation was a bitter struggle between the board and the council. Many of the board's decisions were changed when appealed to the council. This led some members of the board to accuse the council majority that they were not loyal to the new rules of the game. Members of the boards and standing committees also resorted to well-known complaints that the budget frames of the council were impossible to live with. Therefore, they wanted to put the responsibility for specific decisions within their area back to the council.

The problem was clearly articulated in the debate on reduction of the number of primary schools in Selje. Several small community schools, some of them with low and decreasing numbers of pupils, were still run in the commune. In order to balance the budget, the council decided to reduce the budget frames given to the standing committee for schools. However, the council did not give guidelines for how reductions in the school sector should be implemented. It was left to the school committee to decide on whether schools had to be closed, how many schools and which ones. The school committee refused to close any schools, claiming that the budget frames had to be changed. The whole case went into a deadlock for years, budgets were exceeded, and the municipal economy came close to a collapse. More and more people became convinced that the corporate management model was a part of the problem, and after three years it was decided to end the experiment ahead of schedule.

#### Managerialism, role perceptions and decision styles

One reason why the corporate management experiment in Selje did not succeed seems to be that managerialist thinking disregards important aspects of political activity. It starts out from the notion that politicians should formulate the broader objectives and deployment of resources, while leaving the details and implementation to the administration. But all politicians do not accept this conception of their role. Politicians are elected for different parties with different programmes. It is part of their role to struggle for their programme and views even if this should mean opposition to established plans and guidelines. It is also part of the politicians role to find politically viable solutions to make things happen, even if those solutions are not always internally consistent or in accordance with existing plans.

The political arena is thus a field of tension between, on the one hand, the struggle on behalf of particular values and interests and, on the other, the engendering of agreement and collaboration on arriving at reasonable solutions. The consensus-building integrators and the party politicians who fight for their visions thereby constitutes not only two types of politicians, but also the poles of a political field in which the politician must constantly redefine his or her position on the basis of the essence of the case and the situation to hand. This aspect of political activity is not captured by the corporate management models.

#### Managerialism and policy performance

Managerialism has not had much success in the task of improving policy performance through a change of the politician's role. However, managerialism in local government

is not confined to this task. Connected to a managerialist approach also are a set of administrative methods aiming at "cleaning up" the political arena and the borderlines between political and administrative tasks. One example is increased delegation of routine cases to the administration, thus leaving the politicians with better time and opportunities to concentrate on the politically important cases. Another example is more self-determination for institutions like schools and hospitals in their internal administration, by removing politicians from the boards and granting wider responsibilities for the internal resource allocation. A third example is cleaning up the intertwining between political and administrative phases in the decision process.

In a study of the effects of this kind of methods in a sample of Norwegian Free Communes, Bukve (1991) found that positive effects were perceived by both politicians and administration. A clear majority of the administrators said that more discretion had improved their working situation. Politicians were a bit more double-minded. They felt that routine cases ought to be delegated, but also expressed some fear of losing important information that could be extracted from knowledge of specific cases.

What must be held in mind, however, is that these reforms of administrative routines are not necessarily connected to a managerialist view of politics. It is possible to implement reforms of the kind mentioned in local government without aiming at a total change of the political organisation.

## THE EFFECTS OF LOCAL GOVERNMENT ORGANISATION - SOME PRELIMINARY CONCLUSIONS

### Role perceptions among local politicians

From a theoretical point of view, we would assume that if organisation does matter, role perceptions among politicians would vary according to the institutional context. Politicians acting within a consensus model will attach importance to the integrative aspect of politics. Within a majority model they will emphasise promotion of group or party values, while contributing to rational decision processes should be considered the duty of the politicians within a management model.

In an enquete to politicians in four Norwegian communes<sup>4</sup> (Bukve 1991a), co-ordination and a good allocation of resources was ranked as the most important task (considered as very important by 78%), compared to goal formulation (68%), contributing to innovation and new solutions (61%), and promoting the party's programme (50%). Thus, the role perceptions seem to be in accordance with what we would expect in a model with a low level of party conflict. But we can also notice that the view of politics as rational decision making which we would expect to find in a management model, is gaining a strong foothold. This view is strong in all of the communes, and does not vary according to differences in organisation models between the communes.

There are also some politicians who view themselves as defenders of a particular sector (10%) or a fighter for specific cases (36%). But these are minorities among the council members.

A factor analysis of these data reveals that we can distinguish between several types of politicians. The most important are:

- The *goal formulator*, attaching importance to goal-formulation, co-ordination, reorganisation and enhancing effectiveness.

- The *integrator*, attaching importance to co-operation across party borders, finding new ideas and solutions, reorganisation and effectiveness.
- The *party politician*, busy with promoting the party programme and not in favour of co-operation across party borders.

In addition, we find politicians who could be labelled *sector politicians* and *case advocates*, fighting for particular issues.

Measured by the politicians' own role perceptions, there seems to be a model conflict in Norwegian local government between a top down type politician, the goal formulator, and the integrator, who is a process-oriented, bottom up type politician. Probably, this model conflict partly is the result of the ideological influence gained by the managerialist conception of politics.

One interesting question in future comparative work would be to explore cross-country variations in the role perceptions of local politicians. Are such variations related to national political cultures, to the structuring of state-local relationships, or do the internal organisation of local government matter? And what impact do variations have on political processes and performance?

### Decision styles in local government

Decision styles can be discussed with reference to what types of cases that are dominating in local government bodies, and with reference to how the politicians take their decisions.

The question of how decisions are taken is discussed by several authors. Lembruch (1974) and Lipjhart (1969) distinguish between competitive and non-competitive decision styles. The first style is characterised by conflicts lasting until a decision is made, usually by a majority vote. The last is labelled by Lembruch as "amicable agreement". In this style dissent disappears during the process, and an unanimous decision is made.

Bacrach and Baratz (1970) broadens the perspective with their introduction of the non-decision concept, which refers to potential conflicts that are shut out from the formal decision making arenas. Steiner and Dorff (1980) add a fourth style, decision by interpretation. This concept points to a situation where a formal decision is not made. One of the actors is presenting an interpretation of the essence in the discussion, and this interpretation is tacitly accepted by the other participants.

Brunsson (1985) distinguishes between a rational and an impressionistic decision style. According to Simon (1957), the rational decision-making process can be described as a process where decisions are derived from value premises combined with factual premises or information about the given situation. In the impressionistic decision style, values are activated on basis of information about the situation. In next phase, the activated values are used to define the situation and defend a point of view. Brunsson claims that this style often is used in political decision processes, and that the essence of politics is to establish a predominant interpretation of a situation.

Thus, the mentioned decision styles can be understood as different strategies to establish a prevailing definition of a situation. Where disagreement persists, a majority decision is needed because different values are activated or there is disagreement about factual premises. Amicable agreement or decision by interpretation can be used where a given set of values are accepted as most relevant, or where a given point of view may be founded upon different sets of values.

Regarding how decisions are taken, we would expect to find that decision styles are oriented towards amicable agreement or decision by interpretation in the consensus

model, formal voting and majority decisions in the majority model, and rational analysis of consequences in the management model.

Another dimension of decision style is type of cases to be decided in a political body. The argument behind the management model is that political decisions ought to be restricted to the strategic level. Details and routine decisions must be made on the basis of strategic goals in a rational decision process which is administrative rather than political in nature, or transferred to the market. If this argument is in step with real organisational change, we would expect to find the highest degree of structural cases within a management model and the lowest degree within a consensus model.

Køhn (1990) has looked at what happened in a Norwegian municipality trying to move the system towards strategic policy-making. He used Kjellberg's (1977) typology of politics. The dimensions of this typology are type of goods (individual or collective) and effects on the individual (direct and indirect). Thus, we can distinguish between co-ordinatory policy, regulatory policy, distributive policy and redistributive policy. The two first policy types are types of structural policy, the last ones are allocative policy.

**Table 3:** *Types of political decisions*

		Type of goods	
		Individual	Collective
Effect on the individual	Direct	1 Distribution	2 Redistribution
	Indirect	3 Regulation	4. Coordination

*Source: Kjellberg (1977)*

Køhn studied types of cases in the executive board before and after structural reforms. He found that the number of cases in the executive board had been reduced. But it was the number of every type of cases that were reduced. The relative share of co-ordination policy and regulatory policy did not increase between the two periods. Even if the strategy oriented goal formulator has gained a foothold in the politicians' self-perception, it seems more difficult to change the way the system really functions. Our case study of Selje also seems to support this conclusion.

In contrast with the futile efforts of managerialist approaches to strategic policy-making, majority rule in Oslo and Hedmark did result in changes in decision styles. Both places, power was concentrated in the hands of the majority party. The division between majority and opposition was strengthened during the periods with a parliamentary model, in accordance with our hypothesis.

A fairly safe conclusion would be that the organisation of local government does matter for decision styles, but not in the way that managerialists assume. The reason for this seems to lie in their distorted view of what is the core of politics. Politics is not only



goal formulation. Politics is an activity in a field of tensions between interest representation on the one side and compromises and integration on the other. That is why the political game is not played the way managerialists presume.

#### Organisation models and policy performance

It is not easy to find any systematic effects of changes at the political side of local government on policy performance. At least in the short run, budget discipline and service production is not much affected by changes in political models. There are several explanations for this. Firstly, politicians have several goals which are not easy to reconcile. They want to promote the quality of services as much as they want to show budget discipline. Secondly, the commune is not an hierarchical organisation that is closely linked from the politicians on the top to the street-level bureaucrats who are responsible for service production. The organisational web is more loosely knitted, making effects of top level changes on service delivery difficult to predict.

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## NOTES

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<sup>i</sup>. According to the legislation before 1993, the number of councillors had to vary between 13 and 85, depending on the number of inhabitants in the municipality. In the new Local Government Act only a minimum number of councillors is given, ranging from 11 in the smallest communes (with less than 5 000 inhabitants) to 43 in the biggest ones (with more than 100 000 inhabitants). The new act permits a reduction in the number of council members. This was heavily opposed by the smaller parties, who argued that the representativity of the council was threatened.

<sup>ii</sup>. Most Norwegian communes have four or five principal standing committees. Committees for health and social care, building and engineering, education and cultural affairs are found in most communes. In addition, some communes may have committees for industrial development and environmental affairs.

<sup>iii</sup>. A special act was passed in 1986 to allow parliamentarism in Oslo, while the experiment in Hedmark was part of the Free commune programme.

<sup>4</sup>. The four communes were small and medium-sized rural communes, all participating in the free commune programme.