

OM OFFENTLIG SEKTOR

Reforming Norway's welfare administration

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Beröringspunkter mellan NAV-reformen och svensk förvaltning – en introduktion av Martin Fransson och Johan Quist

Denna skrift beskriver den mest omfattande reformen någonsin inom det norska välfärdsområdet, den så kallade NAV-reformen. Författare är våra norska kolleger, reformforskarna Tom Christensen och Per Lægreid. Texten bygger på den kontinuerliga utvärdering som de bedrivit tillsammans med flera kolleger sedan år 2006. Forskningsprojektet avslutas först år 2013 och deras text bör därför betraktas som work in progress. Projektet har ändå hunnit generera ett stort antal lärdomar av intresse för den svenska förvaltningen. ”En dörr in” framförs ju allt oftare i den inhemska diskussionen som ett krav på förvaltningens möte med medborgaren. Och ofta möter vi dem som undrar hur en reform som den norska skulle te sig i Sverige. Åsikterna om detta är många, men vad alla torde kunna enas om är vikten av att ta del av erfarenheterna från vårt grannland. NAV står för *Ny arbeids- og velferdsforvaltning* och reformen har inneburit en ny organisering såväl på departementsnivån som i mötet mellan förvaltning och medborgare. Behovet av en reform hade sin grund i den tidigare situationen med skilda statliga myndigheter för arbetsmarknadsfrågor och socialförsäkringar samt socialtjänst bedrevs i kommunal regi. Skälet till reformen verkar framförallt ha varit problematiken med s.k. *kasteballer*, dvs. att medborgare skickas fram och tillbaka mellan myndigheterna utan att få ändamålsenlig hjälp. Svårigheten att enas om hur enskilda ärenden ska klassificeras har i Sverige ibland liknats vid Svarte Petter – förloraren i detta ”kortspel” är den myndighet som till slut måste betala. De nya NAV-kontoren är ett slags ”one-stop-shop” där medborgaren istället tas emot vid en gemensam frontdisk. För medborgaren ska det inte märkas om tjänsterna utförs i statlig eller kommunal regi eller om ett ärende

korsar olika förvaltningsgränser. Personalen arbetar därför i team över de vertikala (stat-kommun) och horisontella gränserna (mellan statliga myndigheter). Formerna för samverkan mellan stat och kommun regleras genom avtal.

Vilka liknande diskussioner pågår då i Sverige? I vilka sammanhang skulle det vara relevant att reflektera över de norska erfarenheterna? Också i Sverige har medborgare (eller företag) ibland behov som kräver kontakt med skilda delar av den offentliga förvaltningen. Det naturliga för medborgaren torde vara att se hanteringen som en enda process, men förvaltningen vill ofta behandla medborgarens behov som skilda ärenden inom respektive organisation. Risken för bristfällig samordning är då påtaglig. Under 2000-talet har dock samverkan, användarinvolvering och innovation kommit att bli viktiga ledord också i svenska utredningar, propositioner och rapporter. Inte minst i den nyligen presenterade förvaltningspolitiska propositionen där regeringen framhåller betydelsen av samverkan mellan myndigheter i offentliga tjänster riktade till medborgare och företag.

I Sverige genomfördes för ett par år sedan VISAM, ett omfattande projekt där myndigheter uppmanades att söka nya former för samverkan. Som ett resultat av VISAM etablerade Skatteverket, Försäkringskassan och Kronofogdemyndigheten ett gemensamt s.k. servicekontor i Göteborg (Nordstan). Parallellt med denna regionalt drivna satsning genomförde både Försäkringskassan och Skatteverket en omfattande översyn av sitt kostnadskrävande kontorsnät. I september 2007 träffade Försäkringskassan och Skatteverket en överenskommelse om att på bred front utveckla och etablera en gemensam struktur med 87 servicekontor (antalet har senare utökats). För att pröva möjligheterna med servicekontor fattade Arbetsförmedlingen den 12 januari 2009 ett inriktningsbeslut om att aktivt medverka och ta ansvar för att utveckla servicekontoren. Som ett första steg – för att pröva om konceptet kan tillgodose myndighetens krav – genomför Arbetsförmedlingen en pilotverksamhet på några

servicekontor. Också Pensionsmyndigheten har anslutit sig till konceptet.

Samlokalisering kan antas innebära att medborgaren inte lika lätt riskerar att gå till fel ställe och bli hänvisad någon annanstans. Att samla allt på ett ställe kan också förbättra möjligheterna att ge mera samlad information och att tillgodose flera behov vid samma tillfälle. Ett tecken på att medborgarperspektivet präglar servicekontoren är att utbildningen av servicehandläggare är uppbyggd kring vad som framhålls som vanliga livshändelser. Handläggarna tränas i att se medborgarnas helhets-situation och att snabbt och oberoende av sektorsansvar identifiera vilka ärendeslag som kan vara aktuella för den aktuella livshändelsen. Medborgare ska kunna utföra ärenden som berör de samverkande myndigheterna vid samma tillfälle, i samma lokal och med samma servicehandläggare. Klara besked ska också kunna ges om vilka kontakter som kan behöva tas med de statliga och kommunala aktörer som inte finns representerade på servicekontoret.

Till servicekontoren rekryteras servicehandläggare med minst två års arbetslivserfarenhet av att lösa problem i möten med människor med olika bakgrund och skilda behov inom service- och kommunikationsyrken. I rollen som kundguide/floorwalker ska servicehandläggaren möta medborgaren i dörren. Enkel och snabb service ska ges direkt på golvet. Kunder med förmåga att själva söka lösningar i sitt ärende hänvisas till självservice där de kan ta del av information genom självbetjäningsterminaler eller annat informationsmaterial. Vid frågor av fördjupad ”materiell” karaktär, och/eller frågor som tar längre tid att lösa, slussas medborgaren vidare för fördjupad vägledning hos någon av de servicehandläggare som för tillfället har uppgiften att ta emot för enskilt samtal bakom disk eller i besöksrum.

I Sverige finns också flera andra varianter av one-stop-shops, exempelvis medborgarkontor, kommunala nystartskontor och samverkanskontor. Det vanliga är att koncepten är baserade på samlokalisering i kombination med en gemensam väglednings-

resurs. En ”lots”, ”servicehandläggare”, ”kundguide” eller ”floorwalker” hjälper besökarna att navigera bland myndigheternas olika tjänster. Ur ett medborgarperspektiv finns mycket som kan vara gott med dessa försök. Servicekontoren skapar bl.a. en välordnad och mera samordnad fasad. Ändå utgör de ingen revolutionerande lösning i jämförelse med den traditionella tjänstekanalen, dvs. det fysiska fullservicekontoret med egen kundmottagning. Medborgarna guidas i myndigheternas tjänsteutbud, men rutinerna bakom den främre linjen lämnas i regel oförändrade. Spelet med *Svarte Petter* kan tänkas fortsätta, även om det nu inte sker för öppen ridå. NAV-reformen har däremot, genom sammanslagningen av motsvarigheterna till Försäkringskassan och Arbetsförmedlingen, sannolikt större förutsättningar att komma till rätta med problemet att medborgare med multipla problem bollas mellan myndigheterna.

Samtidigt som servicekontoren förutsätter att medborgarna har behov av att hantera hela livshändelser, så saknas verklig kunskap om hur behovet av myndighetskontakter ser ut och vilka livshändelser som är vanliga. I Norge talas det om att 15 % av besökarna på NAV-kontoren har ärenden till flera av de deltagande myndigheterna. Var det då, å ena sidan, rätt av Stortinget att förändra hela den organisatoriska strukturen för att möta behoven hos en minoritet? Å andra sidan kanske de komplexa och sammansatta behov som kännetecknar denna grupp, förbrukar väsentligen mer än 15 % av förvaltningarnas anslag? Många föredrar att sköta sina myndighetskontakter via nätet. Kanske är det medborgarna i det s.k. utanförskapet som i första hand efterfrågar personlig betjäning? Eller är det en generationsfråga? Medborgarnas behov av multipla myndighetskontakter har ännu inte utretts med tillräckligt djup!

De svenska servicekontoren är, i sin nuvarande utformning, således inte lösningen på samordningsproblemen vad gäller mera komplexa livshändelser. Familjer i utanförskap, långvarigt arbetslösa eller sjuka med en diffus problembild riskerar fortfarande att hamna mellan stolarna. För medborgare med komplexa ärenden framstår lösningen med en gemensam kundmot-

tagning som otillräcklig. Att integrera regelverk och processer – i de fall där så är möjligt och lämpligt – och skapa mera sammanhållna processer också bakom den gemensamma ytan, torde vara en mer tilltalande lösning för medborgare med sammansatta behov. En sådan lösning skulle dock kräva ett omfattande utvecklingsarbete och, inte minst, förändrad ansvarsfördelning mellan stat och kommun. Det är inte givet att den norska avtalslösningen kan tillämpas i Sverige.

Sveriges kommuner och landsting (SKL) har dock sedan år 2008, i flera skrifter och debattartiklar, velat få till stånd en försöksverksamhet inom området. Så sent som i mars 2010 uppmanades regeringen av SKL och 45 kommuner och kommunalförbund att samordna de lokala insatserna för arbetslösa. Det är en samorganisering av Arbetsförmedlingen, Försäkringskassan samt delar av kommunernas verksamhet som åsyftas och parallellen till den norska reformen är påtaglig. SKL har också fört fram frågan i debattartiklar tillsammans med den statliga myndigheten Ungdomsstyrelsen.

Även på politisk nivå lyfts frågor om nya organisatoriska strukturer inom välfärdförvaltningen. I september 2008 lanserade socialdemokraterna idén om den nya myndigheten Kraftsam som skulle bildas för att aktivt hjälpa svårt sjuka, långtidsarbetslösa och funktionshindrade och så sent som i april 2010 tillsatte regeringen en parlamentarisk kommitté som ska se över de allmänna försäkringarna vid sjukdom och arbetslöshet. Kommittén förväntas bland annat pröva möjligheten att utveckla samhällets samlade insatser för återgång i arbete eller studier genom organisations- och strukturförändringar. I direktiven till kommittén refererar regeringen till bl.a. NAV-kontoren.

Att döma av remissvaren till det delbetänkande som utredningen om Lokal service i samverkan lämnade i november 2008, verkar de flesta aktörer vara överens om vikten av samverkan och många framhåller värdet av att medborgarna erbjuds ”en dörr in”. Gemensamt för många remissvar är också att samverkan är positivt, åtminstone så länge det sker på myndig-

hetens eller kommunens egna villkor. I november 2009 lämnade utredningen sitt slutbetänkande, vilket efter remissbehandling i skrivande stund behandlas inom Regeringskansliet. Betänkandet rymmer dock inga förslag som kan liknas vid den norska NAV-reformen.

Ett viktigt konstaterande är att den i många avseenden lovvärda utveckling som vi bevittnar i fråga om servicekontoren, i hög grad har varit beroende av ett fåtal eldsjälar. Förvisso är utvecklingen väl förankrad inom respektive myndighet – inte minst genom chansen till besparingar – och dessutom har verksamheten sanktionerats genom avtal mellan myndigheterna. Men tillblivelsen har till stor del varit beroende av några få nyckelpersoners samförstånd och förmåga att prata för sin vara. Här ligger det nära till hands att jämföra med bakgrunden till den norska reformen där en enstaka individ lyfts fram. Regeringens stöd har hittills främst uttryckts i den nämnda förvaltningspolitiska propositionen, där servicekontorens kostnadseffektivitet framhålls som en förutsättning för fortsatt närvaro i glesbygd. Att det blev just Skatteverket och Försäkringskassan som blev först med en massiv satsning på servicekontor, måste ändå betecknas som en personberoende och inte alltför strategiskt styrd händelse. Arbetsförmedlingen övervägde initialt att delta, men interna omställningar och osäkerhet om huruvida verksamheten skulle fungera i detta koncept, verkar ha lagt hinder i vägen. Att Pensionsmyndigheten anslutit sig är till stor del ett resultat av att myndigheten övertagit viss verksamhet från Försäkringskassan. Är då dessa fyra myndigheter den bästa kombinationen? Borde kommunerna delta i större utsträckning? Hur många aktörer kan inrymmas i ett servicekontor? Diskussionen lär fortsätta.

Introduction

In 2005 the Norwegian Parliament, the Storting, approved a massive reform of the country's labour-market and welfare administration. After an interim one-year period, the restructuring was implemented in 2006–10. The reform entailed two main changes. First, in central government, administration of national and social insurance, on the one hand, and labour-market policy on the other was unified in the new Norwegian Labour and Welfare Organisation (NAV) and its subordinate regional bodies. Second, at municipal level a local partnership between the new agency and local social services, based on a central agreement between the Ministry of Labour and Social Affairs and the Norwegian Association of Local and Regional Authorities (KS), was established. Wide-ranging agreements to set up local offices were also signed.

This report starts by outlining the background to the reform. We then describe the reform process, focusing on the various phases of policy initiatives, formulation and adoption. Thereafter, we give an account of the reform implementation, focusing on the transition period, the partnership model and the reorganisation of the reform. Next, we discuss possible effects and repercussions of the reform, including implications for its primary objectives. We then analyse the process in a transformative perspective that emphasises instrumental, cultural and environmental factors, and argue that the reform is a hybrid that exacerbates complexity by incorporating both NPM (New Public Management) and post-NPM elements. Finally, we conclude by reflecting on paradoxes inherent in the reform and the problems of assessing effects.

Background to the reform

Norway's labour-market and welfare administration was long fragmented, involving three main public agencies whose coordination was limited. This was already seen as a problem in the 1970s, but little was done to solve it. The 'Free Municipalities' programme in the late 1980s and early '90s allowed some experimentation involving collaboration among the three services in the municipalities. The results were good, but there was not enough political pressure for a reform movement to be initiated. The 1990s saw a substantial rise in this pressure: user organisations and employee unions alike reacted against the fragmentation of the system and pressed the Government and the *Storting* to embark on reform. Much criticism focused on how multi-service users or clients (estimated at some 15% of the total) needed to apply for help from different offices, and on the overall lack of coordination among the services provided. Finally, in 2001, the *Storting* took a historically unprecedented initiative to reform welfare administration by asking the Government to start planning a merger of the three services.

The feasibility of such a merger was a crucial issue. The *Norwegian Public Employment Service* (PES), headed by the Directorate of Labour (DOL), was some 120 years old and had long constituted a monopoly for its main services. Traditionally seen as a major instrument of full employment, over the past decade it had been modernised and diversified, becoming a multifunctional organisation that faced competition from private staff and job agencies. In 2001 the PES employed some 3,800 full-time employee equivalents and was represented at all three levels of government: nationally through the DOL, regionally through its 18 regional offices and locally through its 162 local offices. The PES was responsible for operational

implementation of the Government's labour-market policy. In the course of 2004 it registered some 466,400 active jobseekers. Its main task was to help people find new jobs as fast as possible through assistance in their active job searches, personal advice and help in obtaining additional qualifications. Other tasks included conducting research on the labour market, distributing financial benefits and performing checks. When the reform process started in 2001, the PES was fairly strongly opposed to the idea of amalgamation.

The *National Insurance Service*, headed by its central agency the National Insurance Administration (NIA), was also part of Norway's old administrative apparatus. In 2001 it had about 7,600 full-time employee equivalents, was represented in every county and municipality in Norway and handled more than 6 million cases annually. Close to 2 million people received regular benefits from social insurance. The service was regulated by several laws, notably the National Insurance Act, which had three main goals. First, it provided financial security by guaranteeing to cover citizens' expenses related to unemployment, pregnancy, maternity, single parenthood, illness and injury, disability, old age and death. Second, it promoted fairer distribution of income and living conditions. Third, it helped people to cope and care for themselves on an everyday basis. The Insurance Service favoured amalgamation, probably owing to apprehension about its future in a modernised bureaucracy.

Unlike the other two agencies, which were run by the central government, the *social welfare services* were a municipal responsibility. Like the other services, they have a long history. Responsibility for the poor, which eventually developed into the provision of social security, was one of two functions (the other being elementary schooling) assigned to the Norwegian municipalities when they were formally established in 1837. In the Norwegian welfare state, social welfare services are generally designed to provide a local social security net. They are regulated by the Social Services Act and intended primarily

to promote financial and social security, improve living conditions for the underprivileged, foster social (and gender) equality, prevent social problems and help people to live in their own homes and lead independent, active and meaningful lives in association with others. In 2003 the municipal social welfare services had some 4,100 full-time employee equivalents and roughly 135,400 people were receiving financial assistance.

The three types of services involved in the reorganisation were variously affected by two structural changes. First, in 2003, labour, social insurance and social services were collected in the same ministry, the then Ministry of Labour and Social Affairs. Then in 2005 the Ministry of Labour and Social Inclusion (from 2009 the Ministry of Labour) was established and made responsible both for these services and for immigration administration.¹

Together, the three services employ 16,000 people, are responsible for some €30 billion annually (a third of the budget) and have roughly half the Norwegian population as their users or clients. Certain concerns about these factors affected preparations for the reforms in question. One was that around 700,000 people of working age are either wholly or partially unemployed at any given time. Another concern was that many users encountered divided and sometimes fragmented administration. This posed problems, especially for users in need of help from more than one agency, involving several services and government levels. A third concern was that the existence of three services, each dedicated to its particular area of responsibility, might potentially create areas for which no one service was responsible. One aim of the reform was therefore to reduce the likelihood of such areas emerging.

¹ Responsibility for immigration was split and, in 2009, transferred to the Ministry of Justice (control) and the Police and Ministry of Children, Equality and Social Inclusion (integration).

Reform process

Phase one: main features

The process culminating in the final Storting decision in 2005 to undertake a major reorganisation of employment and welfare administration can be divided into two major phases (Christensen, Fimreite and Læg Reid 2007). The first began with the declaration of Kjell Magne Bondevik's First Government in 2001, based on the Storting's requests, that it intended to coordinate municipal social services with the national (social) insurance and employment services (the part of the reform process labelled 'SATS'). The Government's proposal, based on the work of an inter-Ministry working group, involved retaining the threefold administration of pensions, the labour market and social services. However, one-stop shops at local level, providing the latter two services, were to be created (White Paper 24, 2002–03).

The Cabinet was heavily criticised for this proposal, since it failed to respond to the Storting's request for a number of different models of unifying the three service organisations. The Storting therefore returned the proposal to the Government, asking it to consider various models for a joint welfare agency comprising the then Employment Service, the National Insurance Service and the social welfare services. Just like the first initiative in 2001, the stated aim of a single service was deliberately ambiguous, avoiding the issue of whether the new service should be provided by central or local government, which in the event divided the Storting. Its rejection of the proposal entailed a political defeat for the minority coalition government, thus compelling it to restart the procedure.

Phase two: a public commission

The second phase of the process started when, in 2003, the Government decided to establish an external public commission consisting primarily of experts. Its mandate was to discuss the main issues of coordination and amalgamation once more. The commission's mandate had two major aspects, one substantial and one more organisational. The first, substantial aspect comprised the main aims of reorganising the administration of work and welfare: getting more people into work and reducing the number dependent on insurance schemes and social services; making welfare administration more user-friendly; and generally boosting its efficiency. The need to examine whether users with many and complex needs received coordinated services was also emphasised. The second, organisational aspect involved discussing and evaluating the suitability of the various organisational models for fulfilling the main goals, including a model with a single, coordinated and/or unified administrative body. The commission submitted the report in June 2004 and it was distributed to a broad selection of consultative bodies, to be returned by November.

The report concluded that the main goals of labour-market policy had generally been fulfilled, albeit with room for improvement for specific groups, such as the unemployed, immigrants and older employees (NOU 2004:13). The commission was more critical of the user orientation of the administrative bodies involved, citing the fact that about 15% of the 2.4 million users of the employment and welfare administration had needs relating to more than one of the three separate administrative bodies. Another key finding was that the longer individuals held the status of a multi-service user, the greater the involvement of more than one type of service became. The commission viewed finding a better solution for this group as one of the main aims of the reform. Concerning efficiency, the report stated that centralisation of services meant that the need for direct contact with users was minor and that money could therefore probably be saved. The report also stated that the main goals of the reform could be fulfilled by using

reorganisation of the apparatus as an instrument, since the services were originally designed to respond to other needs and contexts.

Against this background, the report outlined and discussed the following four models.

Figure 1. Summary of models discussed in this report

Model	No. of services or administrative bodies	Central versus local government responsibility		
		<i>Employment services</i>	<i>Nat. Insurance</i>	<i>Social</i>
1. Central government responsible for welfare-to-work	3	Central	Central	Local
2. Local government responsible for welfare-to-work	2	Local	Central	Local
3. Central government single-agency model	1	Central	Central	Central
4. Municipal model	1	Local	Local	Local

The commission did not advocate municipal responsibility for pursuing the Government’s welfare-to-work policy (Models 2 and 4). In Model 3, which tallied most closely with the Storting’s request, the tasks of the Labour Market Administration, National Insurance Service and traditional social welfare offices would all be carried out by one agency. However, Model 3 was not recommended by the commission, which thought it created too much complexity and reduced the focus on employment, while potentially increasing the need for coordination.

The commission's preferred model was Model 1, which had similarities to the model that the Storting had rejected in the first phase of the process. In our view, this showed quite clearly that the commission was free to make independent decisions, rather than being controlled or steered by the Government towards certain conclusions. Model 1 recommended two specialist administrative bodies at central government level: one for employment and income, responsible for services and payments related to unemployment and/or impaired work capacity, and another — the 'pension service system' — for pensions, family benefits and health insurance. The commission recommended that the local authorities should remain responsible for social services. The model also adhered fairly closely to the existing organisation of the three services involved.

The commission argued that establishing a central administrative body for employment, based on the National Public Employment Service and the employment-related parts of the National Insurance Service, would increase the likelihood of fulfilling one of the main goals of the reform. It also argued that centralising this service would enhance cost-effectiveness and enhance professional skills. The main motive for proposing to split responsibility between two agencies was that to maximum cost-effectiveness. The report stated that the second central administrative body proposed — a pensions agency that was a downsized version of the existing one — would further the goal of enhanced user-friendliness. This meant making procedures less ambiguous, improving central control and standardisation, and providing greater equality of treatment and services of better quality.

The report argued that splitting administration and services into two categories would dovetail with the dual objectives and functions of employment and welfare administration. The first category of task — associated with pensions, child-care support and the like — was more rule-oriented; the second, related to employment, was more discretionary and constrained by users'

resources and abilities, with a culture more oriented towards solutions than rules. The report argued that responsibility for social services should remain with the local authorities, the main reasons being that this would facilitate coordination with other local services while complexity would probably increase if the social services were merged with employment-related services. The disadvantage was the lack of local employment orientation. The commission recommended that the new employment service should have a strong local presence and share premises with the social services, and possibly also the pension service. However, it had little to say about how the services should be organised locally.

When the report was delivered a new minister, a former director of the National Insurance Administration, had just been appointed. Being more interested in creating administration oriented towards user participation, he signalled that he would probably not follow up the commission's recommendations.

The bodies consulted on the report expressed various views of the organisational model. None supported a model assigning responsibility for all three services to local government. The Association of Local and Regional Authorities and most of the municipalities supported Model 2, which made the municipalities responsible for pursuing the welfare-to-work policy. Most other consultative bodies agreed that the current division of responsibility between the central and local authorities should remain unchanged. There were differences of opinion, however, about whether central responsibility should be given to one or two agencies.

When the report was submitted, the Ministries' responsibilities had just been divided anew. Whereas employment issues had previously been located in one ministry and insurance and social services in another, in 2003 the restructuring created a new Ministry of Labour and Social Affairs to oversee insurance, employment and social services. This removed much of the tension among ministers characterising phase one of the

process. The Government's organisational change in the form of the new Ministry supported a comprehensive reform policy: unified political responsibility paved the way for a coordinated endeavour to implement the reform. The new minister's great efforts to engage in a dialogue with the Storting also made it more receptive to a solution that was not its first priority.

The Government's final proposal

As mentioned earlier, the Government had two main arguments for reforming employment and welfare administration. First, too many people of working age were long-term benefit recipients, outside the labour force. Second, too many users were encountering divided administration that failed to meet their need for coordinated assistance across agency boundaries. The new Government proposal (Royal Proposition No. 46, 2004–05) was based on the same general goals as the commission's report. One major argument for the merger was that it was a vital precondition for fully integrated local one-stop service centres. Under the slogan 'More people at work — fewer on benefits', the Government sought to create more user-friendly, coordinated and efficient employment and welfare administration.

The Government strongly believed in reorganisation as the reform solution required. The argument was that the changes brought by this kind of reform would not only result in formal organisational structures designed to enhance cooperation and coordination, and to improve user orientation, but also express more sensitivity to political priorities and involve changes in organisational culture, skills and working methods.

The Government proposed uniting the Employment and National Insurance Services in a single, comprehensive service headed by a new central agency: NAV (Royal Proposition No. 46, 2004–05). This proposal was a combination of Models 1 and 3 outlined in the commission report (see Figure 1). The social services were to remain a municipal responsibility. Establishing new one-stop arrangements at local level and

bringing NAV and the social services together in a local partnership were now proposed.

The Government argued that employment and pensions had more in common than the report suggested. Users often needed both, so merging them would enhance user-friendliness. The chosen solution was also, however, said to be an advantage for employers. It was argued that the merger would reduce coordination costs at ministry level, boost cost-effectiveness through economies of scale and also afford potential benefits for strategic planning.

The Government attached more importance than the Commission had done to establishing a front-line service that would be the users' gateway to all services in employment and welfare administration. The Government also stressed certain preconditions for efficient local one-stop service centres, with reference to both structural and cultural changes, although local autonomy and variety are generally favoured features. Local agreements were to be established, based on a formal central agreement between the Government and the Norwegian Association of Local and Regional Authorities. Local leadership training and joint programmes of skills enhancement were also mentioned.

Summing up, the Government proposed two major organisational changes. First, it wished to establish a front-line service with an employment and welfare office in every municipality. Legally, this front-line service would be based on a binding pact between the central and local authorities, laid down in local cooperation agreements. This partnership between central and local government was designed to provide coordinated services better adapted to users' needs and to supersede the present system of three different offices in each municipality. A network of local offices would constitute a coordinated front-line service with responsibility for employment, sick leave, medical and occupational

rehabilitation, disability pensions, financial social assistance, pensions and family benefits.

Second, state responsibility would be concentrated in one agency: the Norwegian Labour and Welfare Organisation (NAV). The Government proposed to abolish the current Labour Market Administration and National Insurance Service and establish a single new government agency that would cooperate closely with individual local authorities.

The new system was a radical departure from existing employment and welfare administration, but it also represented a complex arrangement of central-local government cooperation and division of responsibility. The responsibilities of central and local authorities were not to undergo fundamental change. Political responsibility for the National Insurance Service, as well as for labour-market policy, was to remain with central government, while financial social assistance would continue to be a discretionary, means-tested benefit under municipal management. Both the coordination between the three services at local level and the one-stop shop idea, however, represented challenges to services and government levels that were accustomed to territorial, as well as cultural, distance.

Although it did not include full amalgamation, the Government's proposal received the support of the Storting. The Standing Committee on Labour and Social Affairs emphasised the challenges of merging two services with different cultures, goals and steering measures, and pointed out the need for careful planning and implementation. Several of the political parties said it was imperative for the new model(s) to produce better cooperation among the services at local level, and also stressed the user-friendliness and cost-effectiveness aspects of the proposal. The right-wing Progressive Party proposed Model 3, which envisaged central government control of the amalgamated services, including the social services; but this proposal was not supported by any of the other parties.

Transition period

As a consequence of the Storting's approval of the Government's proposal, an interim new organisation was set up in 2005. The new Norwegian Labour and Welfare Organisation (NAV) was formally established on 1 July 2006. This year-long transition process is of practical importance because the initial implementation stage yielded decisions that will presumably have a major bearing on NAV's ability to achieve its objectives. Within the transition process, our attention focuses on the events leading to the resolution of three key issues: how to frame the transition process; how to activate participants and issue agendas; and how to organise NAV at central level, including defining the interface between strategy and delivery (Askim, Christensen, Fimreite and Læg Reid 2009). We also argue that the framing and activation will influence the organisation of the central agency.

Owing to a combination of factors, the Employment Service, and the DOL in particular, embarked on implementing the NAV reform with a strong determination to leave their mark on the organisational structure and policy orientation of the unified entity. Since labour-market policies tend to shift with macroeconomic conditions and changes in government, the DOL was well accustomed to adapting and, at times, strategically defending the Service's dimensions, programmes and policies in response to external pressure. Furthermore, in the previous decade the Service had undergone a series of reforms, the most radical of which had ended its monopoly on job and staff provision and allowed private companies access to the market for such services. The reforms also involved service diversification, modernisation of information technology and changes in top DOL staff. This string of reforms made DOL executives very aware of the relationships between organisational reform, human resources, priorities and services. The combination of external pressures and reform experience had made the DOL highly conscious of and loyal to the service's mission: getting people into employment. Third, DOL executives saw the NAV reform as a threat to the

Employment Service and its mission. They feared that a merger would leave them unable to defend this mission against the far larger National Insurance Service, with its plethora of tasks and objectives and, not least, its rhetorically powerful principles of legal security.

Eventually, the Employment Service embarked on the merger implementation with a sense of having lost an unwanted and demanding race to prepare for the reform at the finishing line, and it saw the 2005–06 transition stage as an opportunity for a late comeback. The Storting's placing of the merger issue on the public policy agenda in 2001 was perceived by DOL executives as tantamount to authorising the National Insurance Service to stage a hostile takeover. Throughout the 2001–05 phase of reform preparation the DOL therefore lobbied first the ministerial working group and then the external expert commission, and was initially relieved to see that both advised the Government to maintain separate services for employment and pensions. Come 2005 and the finishing line, however, the DOL bitterly observed that a new minister, Mr Dagfinn Høybråten, had rejected the expert commission's recommendations and advised the Storting to go through with a merger.

The NIA did not embark on implementing the NAV reform with the same sense of determination and preparation for battle as the DOL. Some feared that a merger could be used as an opportunity to introduce IT solutions that would take the provision of benefits away from the local welfare offices, and that this would also cause deterioration in services to older, less computer-literate clients. Most NIA executives and NIA staff, however, saw the merger as an opportunity rather than a threat. The NIA's service portfolio was broader than that of the Employment Service. The NIA administered several employment-related services, in fact, and over time its staff had become increasingly aware that the structural division between the two services made it difficult for them to offer customised service packages to clients. The complex range of services and

clients meant, moreover, that the NIA lacked the DOL's dedication to a single mission. Furthermore, unlike the Employment Service, the NIA had not been subject to recent reforms of its organisational structure and IT systems, and NIA executives had not had to adapt to society's mood swings and political whims. Social insurance policies tend to be stable across changes in governments and macroeconomic conditions. Finally, the NIA did not enter the transition phase in fight-back mode. NIA executives rightly felt that the 2001–05 reform preparation process had, for them, a rather favourable outcome. Having favoured amalgamation from the start, they were relieved when their former director turned the tables in 2005.

Legislative amendments providing for new employment and welfare administration were approved by the Storting in 2006 (Royal Proposition No. 46, 2004–05). The plan was for the front-line service units to be in place throughout Norway by 2010, and this was also fulfilled.

The main challenges were to establish a new, coordinated front-line service with user-oriented employment and welfare offices all over the country; bring about constructive cooperation between the central and local authorities; and create an efficient, unified central government agency based on existing bodies with very different cultures, tasks and occupations.

Two of the three main goals of the reform, namely enhanced efficiency and increased user-friendliness, were connected with NPM. Efficiency was to be boosted by economies of scale. The goal of increased user-friendliness was primarily reflected in the new local partnership and the one-door policy, which was also related to the third goal of getting more people, particularly multi-service users, into the workforce. NPM was also evident in the internal organisation of NAV, the new central agency, since it featured a large provider unit, an 'agency within an agency', while the rest of NAV was to become a kind of strategic purchaser (Askim, Christensen, Fimreite and Læg Reid

2009). The whole new organisation was also equipped with a system for performance management.

The reform does not use a ‘pure’ set of principles taken from either NPM or post-NPM. Its main feature, service amalgamation, was typically post-NPM, and the same goes for the local partnerships, while the performance management system and purchaser-provider split in the central agency were typical NPM features.

Partnership model

The partnership model in the new structure was intended to create joint operative solutions with two owners, the municipality and the government agency. These solutions imply dual accountability relationships: vertically (upwards) within the sector to central government and horizontally to the local government authorities (Fimreite and Læg Reid 2009). The model was based on the following principles:

- Partnerships should be compulsory by law and mandatory for all municipalities.
- There should be one welfare office in every municipality (there was also scope for two or more municipalities to share a single office).
- The welfare office should be a joint front-line service, with common premises for administration of social services and NAV.
- Management at the welfare office could be either joint or dual, with one manager from the municipality and one (representing the Government) from NAV.
- On the municipal side, welfare offices should at least provide financial assistance, financial advice and housing for the homeless, and every citizen should be entitled to have an individual plan drawn up regarding social and welfare services.

The one-stop shops are based on fixed, regulated and binding cooperation between central and local government. Partnerships are laid down in local agreements between the regional NAV offices and individual municipalities, and are not voluntary. However, there is a trade-off in partnership arrangements between the state's need for standardisation and the municipalities' need for local adaptation and flexibility. The central agency worked hard for a mandatory arrangement, the unitary management principle and a standardised task portfolio for the local front-line offices. This was unacceptable to the stakeholders defending local autonomy, such as KS, which negotiated at central level on behalf of the 431 municipalities and the Ministry of Local and Regional Government.

In line with the Norwegian consensus-oriented policy-making style, the result was a compromise. It was agreed that the arrangement should be mandatory; that the unitary management model should be recommended but a dual management model was also acceptable; and that some defined minimum of municipal tasks should be performed by the front-line unit, while other municipal tasks could also be included in a specific local partnership. Thus, the partnership arrangements avoided too much detailed top-down steering and allowed local flexibility. Flexibility regarding which municipal tasks could be included and the flexible management model were both concessions to local self-government and complied with the existing Local Government Act, which grants local authorities considerable autonomy when it comes to organisational matters.

The basis for the local partnership agreements was a framework agreement, at central level, between the Government and KS. This was the first time such a central partnership agreement had been reached between the Government and KS, and was intended as an important political signal to the government agency and the individual municipalities on the establishment of local partnership agreements for the front-line service. The central partnership differs from the local in that it is not mandatory and KS cannot take decisions that commit the

municipalities. Although it constitutes a consulting arrangement between the Government and KS, the central partnership nevertheless plays an important symbolic role. The existence of this partnership is more important than its actual substance.

To date, nearly all local partnerships established have been based on local agreements. Formal implementation of the reform is thus almost complete. Most of these offices have unitary management, but there are also some with dual management models (Fimreite and Hagen 2009). Most managers come from the former employment administration or the insurance service, but some are local government employees.

The municipal functions included in the partnerships vary substantially. Many municipalities have added such tasks as prevention of alcohol and drug abuse, immigration, psychiatric health care and child welfare. Some partnerships have also evolved their own specific aims for the local one-stop service centres, while others have not. Services included in the partnership must occupy joint premises and a minority of the one-stop centres, too, are colocated with other local government services.

Summing up, the partnership model in the NAV reform is a public-public partnership (Fimreite and Læg Reid 2009). This PPP model is based mainly on partnerships at local level, but it addresses the need for 'joined-up' government at central level, to some extent, by involving the municipalities' interest organisation (KS) in formulating a general framework through a central partnership agreement. The NAV partnership is mandatory, permanent and formalised through contracts and agreements, and comprises mainly public partners at central and local levels. The NAV partnership model differs from a 'classic' PPP in two essential ways: private operators play a minor role in the partnership and it is mandatory. It is also based on fairly strict formal arrangements. The NAV partnership resembles a PPP in being a close collaborative and contractual

venture with some durability, concluded between organisations that rely upon agreement between the partners in return for certain positive outcomes for each participant, and provide citizens with public goods and services (Mörth 2007). Other overlapping features of the NAV partnership and PPPs are that both are about power-sharing and rest on a joint understanding of the partners as equal. Our assertion is that these features make the NAV partnership a genuine, albeit a special kind of, partnership.

Reorganisation of the reform

A major reform like this will always require adjustments. This has indeed applied to the NAV reform. During 2007 and 2008 two major reorganisations took place: six regional pension units were established and administrative units, working as ‘back offices’ for local NAV offices, were set up in the counties.

The background to these changes, which collectively undermined the main idea of having a strong front line in the new structure, was mixed. One motive was that users of only one service, such as old-age pensioners, should not have to go to local offices, since their services would be automated. Their needs could therefore be met in regional pension units with high volumes, where efficiency was more easily attainable. Of the other local users, some had fairly simple problems and could therefore be transferred from the local offices to back offices at county level. The remaining users — those for whom the reform was intended, and whose problem structure was more complicated — needed a service more geared to solving their problems, with the capacity to interact with them.

A third change, made in 2009, was to abolish the NAV Service and Development Unit, NDU. NDU was originally established as a provider organisation (mostly for computer services), an agency within the central body, partly to avoid a huge agency employing 1,000 people. But the relationship with NAV proper and its leadership had never functioned well, necessitating constant adjustment during 2006–09.

Effects and implications of the NAV reform

Preliminary effects on the main goals

Implementation of the reform at central level — i.e. merging the two sectors — began in 2006, but more gradual implementation at local level is still under way at the time of writing, in early 2010. This makes it difficult to judge the overall effects, particularly at local level, but some preliminary effects and challenges are emerging (Askim, Christensen, Fimreite and Læg Reid 2010). Implementing a reform as big as this is a major challenge, especially when unexpected environmental shocks occur in the throes of implementation. When the financial crisis occurred in the midst of the reform, the organisation had to deal with rapidly rising unemployment. This exerted a great deal of pressure on the new organisation, as well as on the political environment surrounding the reform.

The three main goals of the reform were as follows. The first is a matter of getting more people into the workforce and off different types of benefits. The preconditions for achieving this goal have changed dramatically with the financial recession. Until late 2008, the unemployment rate in Norway was, at 1.8 per cent, so low that central respondents in an evaluation of the reform conducted in that year pointed out that effects of the reform, if any, were difficult to discern (Askim, Christensen, Fimreite and Læg Reid 2010). Since then unemployment has risen sharply. Although it is now (in February 2010) only some 3.3 per cent, the new welfare administration has found the rise difficult to deal with. Its inability to provide benefits to the newly unemployed fast enough became a hot political issue in Norway in the early months of 2009, and has allowed critics to portray the reform as a failure.

Obviously, the routines and resources of the new welfare administration are not yet good or established enough to respond to such a challenge, at a time when ‘street-level’ bureaucrats who were previously specialists are struggling to acquire more general skills and implement a more complex system. The organisation clearly has little slack to cope with emerging crises, and this has undermined the legitimacy of the new welfare administration. On the other hand, when a crisis occurs, there is a tendency to exaggerate problems, especially in the media.

The second goal of the reform was to increase efficiency. Overall, this goal has not been the central concern, which is understandable given Norwegian cultural traditions. One major argument was that economies of scale were attainable if two sectoral organisations were merged and local partnerships developed. However, two other factors have run counter to this: first, the merger has made the new organisation very complex, and second, strong unions have ensured that all employees kept their jobs after the reform. This complexity does not yet appear to enhance efficiency much, and the financial crisis has shown the vulnerability of the new organisation. The reform reorganisation involved transferring people from the local level to regional pension units and county administrative units. This increased complexity and may also undermine efficiency locally, while potentially boosting it at regional level. However, this has been debated and a fast-working group is now looking into the relationship between the county administrative units and the local welfare offices, in particular.

The third goal, making the system more user-friendly, is closely connected to the efficiency goal. Overall, the new organisation has had problems delivering on this goal because of complexity problems. Clients have struggled to find their way around the new organisation and lost contact with their former caseworkers. Call centres are not working well, and ICT systems and staff are struggling to achieve coordination. What has emerged during the implementation process is that the main

group of clients addressed by the reform — the multi-service users, encompassing around 15 per cent of the clients — have probably received better and more efficient service because of greater coordination effects.

Other implications and challenges

What about the effects of one of the main changes in the reform, the merger? Amalgamation seems to have gone rather smoothly on the central level, with good collaboration between the two former sectors: employment and pensions. One reason for this may be that the overall organisation is fairly complex; this has allowed the former sectors to keep some of their structures in the new organisation, especially in the big cities. Whether this will be an advantage in the longer term is another question. The relationship between the Ministry and the new welfare agency also seems to be working well although, because attention from the political leadership is high in such a salient policy area, particularly during a crisis, this may potentially strain the relationship.

The main problems and challenges of the reform are related to its key element: the new local employment and welfare offices. Preliminary evaluations seem to indicate both positive signs and major tensions (Alm Andreassen and Reichborn-Kjennerud 2009). The positive signs are that the local political and administrative leaders seem to be fairly satisfied with the reform and see it as a partnership that excludes the local dominance of central government. One reason for this may be that the reform has enabled them to coordinate local problem-solving better; another is that the central level is providing more local resources. The employees affected by the reform generally seem to support it; in their view, one of its main achievements has been increased local collaboration — an effect of the main structural changes. But they also cite some negative repercussions of the increase in complexity. One problem and challenge is that most employees (around 70 per cent) have had to take on partly new tasks, needing to acquire new skills that

the new organisation has had problems in providing. Another is the vast task of standardising the rules and regulations of the three administrative bodies in the formerly separate sectors to form a single system. This concerns such aspects as structural casework, wage and computer systems. A third is to create a new cultural identity based on three somewhat different, sectorally based cultures.

Experience to date has shown that it is difficult to establish comprehensive, integrated and seamless services based on partnership at local level, since the traditional steering links to the central government and to the municipalities remain strong (Haugli Nyhus and Thorsen 2007). The hierarchy is still very much present. A study of the first 25 pilot offices indicates that the municipalities are fairly satisfied with the NAV reform so far, and employees in the one-stop shops are also generally positive about the reform (Alm Andreassen et al. 2007). There has been no significant change in customer satisfaction. The study reveals, however, that the partnership model is challenging as well. Fifty per cent of the political and administrative executives in the pilot municipalities are satisfied with the partnership to date, but only a third of employees at the local offices describe collaboration at local level as satisfactory. Achieving a delicate balance between top-down steering, demands, negotiations, dialogue and mutual cooperation, in both the municipalities and the external bodies, is tricky. Another big challenge is the issue of competence, since respect for the municipalities and their skills has been rather weak. Cooperation seems also to work best in small units and those under unified management.

One concern that is especially strong in KS is that the local partnerships will not, in practice, be between equal partners, and that representatives of the former employment and insurance administrations will act as 'big brothers'. Authority relationships are key aspects of the partnerships, and these tend to give the central authorities the upper hand. Another source of bias is that local partnerships are concluded between the

regional, county-based NAV offices and the individual municipalities. Since there are at least 25 municipalities in each county, this means that the regional NAV managers and their staff will soon become far more experienced than the municipalities regarding the form and content of the partnerships. Another cause for concern is that tasks regulated as individual rights are due to be removed from the one-stop shops' responsibilities and assigned to specialist government offices at regional level. To avoid erosion of the local offices the Government has, however, decided that each one-stop shop should have a minimum staff of three.

The first results from the evaluation also reveal that, among central civil servants, there is a strong wish for more standardisation in relations with local offices. Many of them report that the partnership model is an obstacle to efficient implementation of the NAV reform. There is a tension between the need for local cooperation based on reciprocity and equal partners, on the one hand, and top-down steering on the other. To deal with this tension a partnership forum has been established at local level. In this forum, the municipality is normally represented by the administrative executive manager and the central government by the county NAV manager. The partnership forum is intended to handle governmental steering initiatives and resolve conflicts among stakeholders.

One question to be raised is whether this new administrative apparatus is likely to increase political control over the administrative units and services involved or whether it will, instead, enhance institutional and professional autonomy. The preconditions for more political control certainly exist. First, the Ministry has overall responsibility for two of the services involved, which makes coordination easier than if the services had been divided among several ministries. Second, the two merged administrations are centrally based while the social services are locally based; this could potentially give the central apparatus the upper hand, particularly if NAV is closely controlled by the Ministry. Third, the services merged have

different structures, professions and cultures to cope with — a situation that does not point in the direction of increased institutional and professional autonomy.

A second issue is connected to the fact that the partnership model means that the central and local levels of government now operate at the same geographical level, integrated within the same office. This new arrangement will probably solve some coordination problems — between employment and social-insurance services, for example — but is also expected to create other problems, between the local and central authorities for example (Fimreite and Læg Reid 2008). A third of the local office is now managed at local government level, while the other two-thirds are managed under delegated central government authority. This is new in Norwegian administration, and whether and how it will affect the local authorities' autonomy are crucial questions.

Some questions also remain about the one-stop shops and local collaboration between the two merged administrations and the social services. Will the new collaboration be based on a common understanding about how to realise the main goals of the reforms, or will there be structural and cultural problems? It is well known that organisational integration issues are constrained by difficulties in changing existing structures and functions; that existing norms, routines and organisational cultures resist change; and that mandates often fail to affect routines. One particular source of tension in the new structure that is not easily resolved is that the newly unified employment and welfare administration is likely to attend primarily to national goals and standardisation issues, while the social services are naturally closer to the culture and concerns of the local administrative apparatus. This will result in some divergence. Whether unifying administration physically in local one-stop shops will have any impact in this respect is an open question.

In a political or administrative structure based on a representative democracy, clear accountability to the political executives is a central concern. One key question is therefore whether the NAV reform will lead to more unambiguous and transparent accountability or whether it will, instead, produce an ‘accountability deficit’ (Baldwin et al. 1998, Christensen and Læg Reid 2006). In a representative democracy, elected elites are accountable to the public. The desire to be re-elected acts as a disciplining force on elected representatives. For accountability, since the electorate needs information in the re-election process, publicity and transparency are thus important (Aars and Fimreite 2005:244).

The NAV reform was, in many ways, based on post-NPM views of coordination and collaboration. Vertical coordination, i.e. the process whereby the central government secures control over and standardises the new services, is important. This kind of coordination can be based on a) political control, indicating a traditional, centralised structure, b) production, suggesting more devolution-oriented solutions and c) rights, for example making greater use of independent appeal bodies. When it comes to vertical accountability, the relationship between the Ministry and the central NAV agency is of great importance. The organisational solution apparently envisaged here is a more traditional ministry-agency relationship, in which control and autonomy are balanced. In addition, there is internal vertical coordination inside NAV and intergovernmental coordination between the central agency and the regional and local parts of the apparatus.

Horizontal coordination on different levels also has an impact on administrative accountability. The horizontal intra-ministry coordination between the employment and insurance administrations and other areas in the Ministry is no exception to this. Neither is the inter-ministry coordination in the administration of work and welfare, on the one hand, and other related policy areas, such as education and health, on the other.

Moreover, there are concerns about vertical coordination, involving the Ministry's mechanisms for influencing social services locally, in the tension between sector-based and territorial specialisation. The advantage here is that all the relevant areas now come under the Ministry, potentially enhancing coordination. The disadvantage is that the Ministry of Labour is huge, and the political leadership may have capacity problems. Whether the various levels of NAV will succeed in coordinating employment and insurance services as planned is another important question. Local coordination with the social services in the one-stop shops, too, is a key issue. At micro level, coordination with locally elected political and administrative executives is another challenge (Christensen, Fimreite and Læg Reid 2007).

Analysing the process: transformation and complexity

Explaining the process

How may a transformative approach help us to understand the decision-making process and above all the organisational thinking behind the reform (Christensen and Læg Reid 2001)? To start with, in terms of the decision-making structure and the pattern of participants, the process has some distinctive features. Following the Storting's initial 'No' to the proposal from the Government and its demand for a merger of the three types of services, the Government might have been expected, on the basis of a hierarchical *instrumental perspective*, to organise a fairly closed and controlled decision-making process in order to ensure a result that complied with the Storting's demands. However, this did not happen. Instead, the Government engaged in what appeared to be a complicated negotiation process, which was opened up by means of a public commission with a broad mandate. The only major constraint on the mandate was the Storting's demand for a more user-oriented service that took account of multi-agency users, as one of three major goals. The solution proposed by the commission, which was similar to the one rejected by the Storting in the first round, was then modified by the Government, reducing the administration from three services to two. This solution, which represented a concession to the Storting, could be seen as a compromise and was eventually accepted by the Storting. This may well have been a tactical use of the commission, but it also entailed redefining goals in the course of the process, which was then reflected in a new ministerial structure and a new minister.

If the organisational thinking in the process is analysed in instrumental terms, the organisational model appears somewhat weak and shallow. The goals stated are general and rather

vague, tensions between them are largely ignored, specific problems are seldom discussed, and proposed solutions lack a strong basis or analytical background. Normally, organisational thinking involves instrumental or rational features. Yet the original solution sought by the Storting — a single, unified service — was not particularly rational. This was because it reflected some post-NPM thinking on the advantages of horizontal despecialisation, but there was no discussion of whether there multi-service users posed a real problem, or of the possible disadvantages arising from user heterogeneity in a unified service.

The management model for the new employment and welfare organisation is based on NPM tools. Performance management is a dominant principle for steering and control, and performance indicators and reporting are major components of this system. It introduces the balanced scorecard principle, focusing on multiple objectives and the relationship between tools and user outcomes. In addition, knowledge management and a formalised and generic quality-management system, based on user surveys and quality assessments, are applied (see Læg Reid, Roness and Rubecksen 2008). The model is thus a hybrid of central NPM management tools with post-NPM whole-of-government features.

In defining multi-service users as a minor problem, the public commission was acting instrumentally. It therefore proposed only minor structural adjustments. Recommending specialisation initially by objectives and then according to geography is consistent with the view that there are two distinctive goals and tasks. However, it is somewhat inconsistent to argue that social services partly overlap with the two other services, but not to propose restructuring. Here, the commission was following basic political logic: in giving priority to local coordination and local democracy, it probably anticipated political problems ensuing from its recommended solution for administering social services, which took the central government's needs into account. Without really

specifying why, the report also recommended basing the one-stop shops on employment needs.

In the Government's view, employment and insurance had a common goal. It therefore proposed amalgamation of the two services, arguing that this would make them more effective. However, the whole solution was based on the assumption — one that was not well founded — that this would improve the situation for multi-service users. The Government argued for one-stop shops with divided structural arrangements, but was unclear about whether uniting the two services physically would modify these arrangements and create an integrated service.

The main participants in the merger implementation were the parent ministry, the Ministry of Labour; Mr Saglie, who headed NAV Interim (and later the new agency), the transition organisation; and representatives of the existing, 200-year-old welfare agencies. As NAV Interim's employees, the latter's actions were clearly affected by their former professional identities and institutional histories. This partly explains why the case bears clear marks of *negotiation* between the two agencies (Askim, Christensen, Fimreite and Læg Reid 2009).

The *cultural-institutional perspective* can be used to explain the decision-making structure in the process, at least partially (March and Olsen 1989, Selznick 1957). The open mandate for the commission, which did not follow up on the demands from the Storting, may have signalled that the Government's primary intention was to follow the long-term norms of determining the internal structure of the executive apparatus, while giving the experts leeway.

The process may also be seen in terms of competing types of appropriateness among the stakeholders (Christensen and Røvik 1999, March 1994). Like the first group of experts, the expert commission saw few reasons for supporting real structural mergers. The Storting, without analysing the problem more closely, claimed that unifying administration of the three services to create a more comprehensive structure was the most

suitable solution, simply because it believed that this was the way to solve coordination problems. The Government deemed it appropriate to focus chiefly on the multi-user problem; the outcome was its proposal to merge employment and insurance without, for political reasons, daring to touch local responsibility for the social services. All the main stakeholders were concerned that cultural traditions would hamper the desired effects of the reform. Accordingly, they stressed the need to develop a new common culture — between the spheres of employment and insurance, in the newly merged employment and welfare administration, in the local one-stop shops and in their collaboration with the locally based social services.

The *environmental perspective*, which embraces a complex combination of technical and institutional elements, may also serve to explain certain aspects of the process (Christensen and Læg Reid 2001, Meyer and Rowan 1977). The sectors involved contain numerous strong interest groups, and establishing a reference group comprising such stakeholders permitted additional legitimacy for the process. By the same token, forming a commission of experts in response to the Storting's criticism of the initial proposal allowed the Government to challenge the Storting's view that multi-agency users were the main problem, and to use the facts delivered by the commission to make it look like an exaggeration and a myth. The view that merging the services would bring about major improvements may, moreover, be seen as a post-NPM counter-myth, and departs from the dominant NPM myth of specialisation. The focus on user interests and efficiency also involves typical NPM symbols, and can therefore be classified as more rhetorical than rational. Indeed, if these goals are operationalised, their contradictory nature or, at least, the tension between them becomes obvious.

The modified solution that the Government returned to the Storting may also be seen as a myth: the alleged advantages of a full merger acquired symbolic status, and an excessively

specialised solution was thus ruled out. It is also interesting that the final solution was presented, probably intentionally, as a single unified administration; but in fact it was twofold. This would seem to indicate that the media, too, have become caught up in symbolic values.

Adding complexity

This reform incorporated central elements from both NPM and post-NPM, leading to more structural and cultural complexity (Christensen and Læg Reid 2009). We will analyse how increased complexity has emerged in the process and content of the reform, and also relate the complexity to the preliminary effects of the reform and the challenges it raises.

The main element in the reform was the decision to merge the employment administration, represented by the Directorate of Labour (DOL), with the National Insurance Administration (NIA) to form the new Norwegian Labour and Welfare Organisation (NAV), represented at all levels (Christensen, Fimreite and Læg Reid 2007). A decision was also taken to organise a new local frontline service — a one-stop shop — ensuing from a new partnership between NAV and the locally based social services. This local partnership was intended to combine control and formalisation with flexibility and variety.

The fairly complicated reform process deviated from other reforms in one specific respect: the unusual role of the Norwegian parliament, the Storting (Christensen 2008). It is normally the political and administrative executive that initiates reforms, but in this case it was the Storting. The Storting expected the Government to come up with a model involving *one institution* or *sector* for labour and welfare. The Government's initial proposal, however, was to keep most of the existing fragmented structure. The Storting sent the proposal back, and this represented a political defeat for the Government.

In the next phase the Government established a public commission, mainly in order to use professional arguments to convince the Storting of its position. The commission also

thought that, basically, a version of the established fragmented structure was the best solution. But the incoming minister in the unified Ministry for Labour and Social Affairs changed the course of events. Ignoring the commission's proposal, he worked closely with the Storting, inducing it to accept a proposal that implied a partial merger, leaving local government responsible for social services, but in partnership with the unified central agencies.

Two of the three main goals of the reform are connected with NPM: greater efficiency and increased user-friendliness. The merger and local partnerships were intended to achieve economies of scale. The local partnerships and 'one-door policy' were designed to increase user-friendliness and also connected with the third goal of getting more people, particularly multi-service users, into the workforce. NPM was also evident in the new central NAV agency's internal organisation: a large internal provider unit (an 'agency within an agency') had been created (NDU having now been dissolved), and the rest of the central NAV agency was to serve as a kind of strategic purchaser (Askim, Christensen, Fimreite and Læg Reid 2009 and 2010). A performance management system was another feature of the new organisation.

The main thrust of the whole reform was to introduce more coordination mechanisms into a fragmented structure — a typical feature of post-NPM. The merger finally decided on was a watered-down version of the original plan, however, since full inclusion of the social services proved politically impossible. Nevertheless, this was still the largest sectoral merger ever to have taken place in Norway's central administration, so the comprehensive aspect of the reform was undoubtedly crucial.

The reform will probably tip the balance in the direction of more central control and less local autonomy, but it is too early to tell for sure. A new and stronger Ministry, including all the relevant services, has been established, along with a new, unified agency with a strong administrative apparatus that is

also represented at regional and local levels. This new organisation has formed local partnerships with parts of the social services, and may be dominated by the NAV organisation (Fimreite and Læg Reid 2009). In addition, a further reorganisation took place after the local partnerships had been established, creating regional pension units and reducing the local offices' task portfolio, responsibilities and resources.

Hierarchical design and complexity

In the first phase of the process, the administrative leadership obstructed the reform the Storting wanted. The support of the executive political leadership, which was internally divided, was obtained. Overall, the executive leadership scored low on control of the process, and its legitimacy took a blow when the Storting rejected and sent back its proposal for keeping welfare administration divided. In the next phase, the main proponent was a clever and proactive minister who, in heading a reorganised Ministry that oversaw all three sectors involved — employment, social insurance and pensions, and social services — was in a strong position. Through skilful political negotiation, he managed to secure the support of most of the other stakeholders: the Storting, the sectors involved and KS.

Neither the executive staff involved nor the main proponents in the Storting scored high on rational calculation or organisational thinking. The primary goals for the reform were laid down at an early stage, but the weakness of this part of the process became evident when both sides argued that their solution — a disintegrated and an integrated one respectively — would further the same goals. The model finally chosen was also a complicated solution, combining increased coordination with control potential, with new strong local units. It lacked clarity concerning possible effects, and was partly modified during the implementation process, since establishing regional pension units meant moving staff from the local level.

Complexity increased by negotiations

The organisational model finally chosen reflects a tendency towards, and emphasis on, negotiation and compromise; these were in fact a major precondition for its reaching a final decision. The new, complex structures often contain elements that are directly associated with the diversity of the stakeholders who designed them. In the labour and welfare reform process, the incoming minister managed to resolve a stand-off between the executive and the Storting by securing support for a compromise between control and autonomy. By merging two sector organisations and making local partnerships, he catered to the stakeholders who wanted to see more coordination while also reassuring those who still wanted strong central control, arguing that the unified agency would probably strengthen that control. In addition, he took into account the interests of stakeholders who favoured strong local government and maintained the functional division between the state and the municipalities, by establishing local partnerships and keeping the social services as a local responsibility.

Cultural complexity

Our reform case also manifests growing cultural complexity. Culturally, this reform poses immense challenges by setting out to mould three different and distinct cultures into a new identity and culture. The former employment service (PES), modernised and made more result-oriented, was merged with the more traditional, rule-oriented Weberian culture of the National Insurance Service. As if this were not enough, the reform also brought a third factor into the cultural equation: the locally based, autonomously oriented social services.

Environmental complexity

The influence of a combination of environmental factors is also evident in the welfare reform. The reform certainly constituted a response to a real problem: that of too many people on pensions and social benefits, making efficiency hard to attain. But it was not evident why such a large and complex reform should be the solution to these problems. It was also characterised by symbols

of unity and local partnership rather loosely coupled to the more substantive problems the reform was supposed to solve. In phase one, the Storting insisted on introducing a unified welfare administration but remained short on specifics, because these would have revealed the internal divisions between strong supporters of central control and local autonomy. It was difficult for the political executives to handle such a potent political symbol. The minister's main symbolic card was 'local partnership', which sounded good and had the necessary ambiguity. It also combined central, legally mandatory standards and minimum standards for individual services and tasks with local autonomy, and allowed local offices to choose their leadership model and decide how many services and tasks to include. All these factors made the model politically easier to sell.

Conclusion

This reform, the largest ever in Norwegian central administration, was initiated by the Storting. In historical terms, this is highly unusual for large-scale reforms. At the same time, it demonstrates the executive's severe weakness in coping with some major problems of the Norwegian welfare administration that had been obvious back in the 1970s and 1980s. The executive politicians, supported by their administrative staff, repeatedly showed some reluctance to undertake any reform of welfare administration after the process started. Only the genuine political entrepreneurship of the then minister, Mr. Høybråten, made it possible.

The process as such was characterised by fairly shallow organisational thinking and preparation. It is an interesting paradox that a reform that started by focusing on only about 15% of the clients and users in the labour and welfare system, the multi-service users, eventually became so immense and encompassing. This was also reflected in the reform reorganisation of 2007–09, in which more resources were moved from the local offices — the bureaucratic front line — to the regional and county units.

The effects of the reform to date have, of course, been partly influenced by the financial recession. Though not hitting Norway hard, this has had an impact and undoubtedly exerted pressure on the new welfare organisation. Not much has been achieved in terms of getting more people into the workforce since the reform but, on the other hand, rising unemployment has little to do with the reform. The second goal of the reform, enhancing user-friendliness for multi-service users, seems to have been realised. The third goal, boosting efficiency, originally received little emphasis; ending dismissals and

simplifying the complicated structure have certainly balanced eventual synergy effects. Efficiency is now emphasised more through the new regional pension units, which probably foster efficiency, and the new county administrative units, whose effects are much more debatable and doubtful. Although, overall, the reform appears to give the central government the upper hand, local political and administrative leaders are generally satisfied with it. The employees involved generally support the reform for the most part, but point to numerous complications. Users of this type of service are, overall, somewhat less satisfied than they are with services that are less critical and in demand, but their views have not changed much since the reform.

It is important to stress that the reform is primarily administrative — neither a reform of policy content, implying substantial changes in the law, nor one of service financing. The service basis is supposed to be unchanged; but amalgamation and local partnership entail modified forms of decision-making, and potentially also location changes since previously separate services are now provided inside the same organisation. Formally, the new local partnership involves local and administrative collaboration in which the hierarchies based on central and local government are on an equal footing locally, in the one-stop shops. In reality, through NAV, the state seems to be playing a ‘lead agency’ role that may eventually make the central government responsible for some financial parts of the local social services.

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