
“Rotary Capitalism”, Third Way or
Networking Bureaucracy?
Swedish partnerships for growth

Lars Niklasson,
Swedish Agency for Public Management
Lars.Niklasson@statskontoret.se

SASE, Aix-en-Provence,
June 26-28, 2003

1. An international trend of new governance

- Public Private Partnerships, PPP
 - US Rural development councils etc
 - EU structural funds
 - UK part of “devolution”
 - all Nordic countries
-

2. What is particular about Swedish partnerships?

- introduced in 1998
 - operative 2000-2003, new arrangements 2004-07
 - 21 administrative counties (“regions”)
 - regional public and private actors
 - coordinated by a regional authority or the national agency for each county
 - agreement on an analysis and a set of actions
 - no authority is transferred to the partnership
 - public agencies act within national budgets and regulation
-

3. Motives for partnerships

a. Official

- Clusters for economic growth, jobs and regional development
“learning regions”, social capital (trust reduces uncertainty)
 - Coordination and more focus on business needs
networking bureaucracy, away from “silos”/sectors

b. Other

- Deregulation instead of more funding
 - A new start in regional development
 - Adjustment to EU-funding
 - A soft take-over of the labor market board (?)
-

4. Objections

a. Against local links:

- Global links are more important
 - (Some) urban environments are more creative
- Too much social capital brings conformism (Richard Florida)

b. More fundamental:

- “Rotary capitalism” inferior to entrepreneurs?
cooperation vs experimentation
more of the same vs something new
 - Public and private lose their distinctiveness?
will companies be addicted to subsidies?
will agencies lose their weberian ideals?
-

5. The economic issue

a. A need for coordination (Market failure?)

Avoid lock-in, start new clusters

“Associative and collaborative governance”

“Animateur” vs picking the winners

(Where are the banks?)

b. A need for incentives and dynamics (Gov't failure?)

Regulation/deregulation of SME's, capital etc.

Trade policy, competition policy etc.

c. A need for investments in infrastructure

Transportation, R&D, education etc.

6. The public administration issue

a. More complex problems demand networking

Networking administration, “virtual bureaucracy”

Breakdown of policy sectors?

Less competent and less independent agencies?

b. Public Private Partnerships:

Government with more capacity, less autonomy (Weiss)

A new corporatism of implementation?

A third way between state and market?

What happens to democratic accountability?

7. Can the policy be tested?

a. Outputs

SWOT's, spending patterns, projects, follow-up
attitudes, behavior, trust
new working methods, synergies

b. Outcomes (causality?)

development of new and old clusters
Investments and jobs; old and new companies

c. Processes (key to the explanation)

Drivers and barriers

d. Evaluation of regional evaluations as a first step

Are partnerships in control? Synergies? What processes?

8. Comparisons

a. National (21 regions)

Different economies

Different governance

Different integration of EU-programs

Different ambitions in evaluation and control

b. International

EU structural funds

British and other national experiences

Evaluation methods

9. Tentative conclusions

Some new cooperation and projects

Some changes in attitude

Some effects, but too early to tell

Much disappointment

Skilful policy entrepreneurs make partnerships work

Sectors are still alive (a barrier)

Self-employment is unattractive (a barrier)

Investment in SME's is discouraged (a barrier)

Better than the old policy but not good enough?

Stronger but fewer regions are needed

10. Alternatives

More power to the partnerships; abolish AMS

Or: a national perspective on innovation system

Urban growth: Stockholm

Industrial development centers (IUC) as “Fraunhofer”

Deregulation, lower taxes -> business angels

Owners and banks (CME)

Venture capital and financial markets (LME)
