

Working paper 2001·8

Reluctant Agencies
Sectorial Agencies and Swedish Research Policy in the 1980s

BO PERSSON

Swedish Institute for Studies of Education and Research
Drottning Kristinas väg 33D
SE-114 28 Stockholm
www.sister.nu

ISSN 1650-3821



CONTENTS

Sectorial Agencies and Swedish Research Policy in the 1980s.....	2
Theoretical Perspective	4
Negotiating and Innovative Agencies.....	5
Networks and Institutional Legacy.....	7
Stability or Change in the Organisation of Research Steering?.....	9
Acknowledgements.....	9

RELUCTANT AGENCIES

SECTORIAL AGENCIES AND SWEDISH RESEARCH POLICY IN THE 1980s

The object of study in this dissertation is the public organisation for steering and financing research in Sweden. The design of this organisation is a central issue concerning the relationship between politics and science. Should for example, research councils managed by representatives of the scientific community control the organisation? Or should political or other interest groups in society have a larger influence over the organisation through, for example, governmental agencies controlled by boards with representation from different interest groups?

In Sweden the organisation of research steering and funding from the 1950s onwards was characterised by sectorisation. That is, political priorities concerning type of research and how to organise research funding were not established within a research policy perspective, for example through a specific ministry of research. Instead ministries of, for example, social welfare, housing and agriculture established their research priorities on the basis of sectorial needs. Research was first and foremost seen as an instrument to achieve political goals, not a political area in itself. Most ministries had different sectorial agencies that handled research funding and established priorities in close relationships with sectorial interests. Even though there also existed a parallel system of research councils controlled by the scientific community, and direct governmental funding to the universities, this sectorial organisation constituted the overall pattern in the public administration of Swedish research policy until the late 1970s.

During the 1980s the Swedish Government developed a more co-ordinated research policy as a complement to the sectorial policy. This new research policy also channelled a specific criticism of the organisation of the sectorial agencies from the scientific community. This specific part of the policy meant that the sectorial research agencies had to deal with new tasks and objectives. Supported by representatives of the scientific community, the Government challenged the agencies to develop procedures of governance where the scientific community had a larger influence, and where scientific quality was the primary criterion when evaluating project proposals. Hence, essential parts of the ideas and procedures of the sectorial agencies were questioned.

In this study I will investigate how this change in Swedish general research policy was translated into changes in organisational structure and procedures at two of the sectorial research funding agencies, the Swedish Council for Building Research (BFR) and the Swedish National Board for Technical Development (STU). Literature in public policy and public administration generally concludes that governmental agencies are not easily changed. Owing to factors such as bureaucratic self-interest and rigid routines, changes in governmental policy are not always translated into real changes in organisation and practical policy. The purpose of the study is therefore to analyse the processes when the general reform demands were translated into changes and to identify and discuss some central factors that can explain these processes.

The purpose of this study is twofold. Firstly to make a contribution to the understanding of Swedish research policy and changes in funding organisation during the 1980s. This historical process has only partly been analysed before, and my investigation includes in-depth analyses of both empirical material studied by other scholars, and new material not previously analysed. Secondly the aim of the study is to make a contribution to the theoretical discourse about the dynamic relationship between political steering and public administration in the process of administrative change, especially in the area of research policy.

The study is designed as a comparative case study. Each process of administrative change is dealt with as a case where the same general policy is translated into organisational changes. The comparative design enables a discussion of the factors that can explain how new political steering is handled by governmental agencies in co-operation with other actors. The study is primarily based on analyses of qualitative material such as governmental records, agency reports and interviews.

THEORETICAL PERSPECTIVE

In the discourse about the relationship between politics and public administration one can observe a tension between actor-oriented and institutional perspectives on the mechanisms of change. In actor-oriented perspectives the focus is on actors, their interests and objectives, and the process is primarily a result of negotiations between these actors. The rational choice school has developed the most elaborated actor-oriented perspective, where governmental agencies interest primarily is defined as their members' self-interest. In contrast to this perspective the new institutional perspective on public administration emphasises that the interests of actors and the process of negotiation and administrative change are shaped by institutional factors. According to this perspective actors' decisions are not primarily based on self-interest but on institutionally defined objectives. The process of negotiation is also framed by different "rules of the game" such as constitutional and administrative systems.

The investigation is based on an historical institutional perspective on the process of administrative change. In this perspective the dynamic relationship between actors' interest and institutional factors is emphasised. The process of change in public administration can be interpreted as *negotiations* between actors possessing different capacities and resources. The power of different actors varies, however, between different phases of the process. The influence of the governmental agencies can be expected to be substantial in all of these processes. This influence will not only be exerted, as expected, in the implementation phase, but also in the process of presenting and developing alternatives to a new policy.

These negotiations are also framed by the institutional settings connected to the agencies. I argue that two institutional factors are important in this context. Firstly, the *networks* connected to the agency that is the object of change. The networks consist of relationships between the agency and different actors that are connected to each other on the basis of resource dependency, common interest in a policy issue, common values etc. These networks shape the process in that they can constrain, but also deliver new solutions for, reform. Secondly, the *institutional logic* or legacy, of the public administration shapes these public reform processes. Agencies are institutionalised in specific roles and have adopted specific procedures, and they therefore tend to adapt new political objectives to these existing arrangements. I do not, however, argue for a deterministic view; instead I argue that agencies are in fact active in interpreting their roles and procedures according to new tasks and objectives.

NEGOTIATING AND INNOVATIVE AGENCIES

A general conclusion of the study is that the logic of the processes was not in line with an instrumental perspective on the policy-making process. This does not, however, imply that the politicians were absent from the process. The Government, for example, set the general research policy agenda, but more specific problem definitions and proposals were to a large extent presented by a coalition of actors connected to the universities and the scientific community. This coalition defined what were the problems of the political agenda, and also presented solutions to deal with these problems. In this problem definition function the coalition connected to public administration reform was also important. The point here is that the reform process was not the result of the explicit will of the Government, but the Government designed arenas that gave opportunities for certain interests to present their problems and solutions. In the process of creating a new research council for engineering research an alliance between actors within the Government, representatives from industry and the scientific community also managed to drive their solution through.

The agencies did, however, in most cases have a strong influence over the specification of alternative solutions to deal with the demands and problems other actors identified. Even if other actors also were active in the process of specifying solutions, the agencies had a strong control over this part of the process. The handling of the new objectives with regard to “long-term funding” is a typical example. The position of BFR was to handle the demand through already existing framework programmes, and STU proposed a smaller research council within the agency. The Government decisions were, in most important respects, in line with these proposals.

The agencies did not only present reactive solutions, they also used the new policy to, in alliances with other actors, push for proposals in their own interests. STU’s initiative of establishing the Material Consortia programme is the most obvious case of such an initiative. It can be interpreted as a way for STU, in alliance with the Natural Science Research Council (NFR), to connect two processes, one connected to industrial policy and the other to research policy. The proposal was in line with STU’s role as an agency with the mission to support research with future industrial relevance, but was also in line with the research policy demand to support basic-oriented research. BFR’s proposal, in alliance with the Ministry of Housing, to co-finance research with private organisations can in the same way be interpreted as a way to connect housing policy to research policy. The proposal was a way to get the building industry to be more R&D intensive, and also to release public resources for basic-oriented research.

How did the agencies’ implementation of research policy influence the development of these processes? In areas such as research policy, where the ambitions of the politicians to steer traditionally had been limited, one could assume that the agency discretion would be rather wide. In these processes there are, however, some differences between BFR and STU. BFR had a wide degree of

autonomy in implementing new policies. The interpretation of the policies was therefore to a great extent based on the historically developed views of BFR. The opportunities for STU to influence the direction of the implementation process were also extensive, but more limited than for BFR. The implementation phase in the case of STU was to a greater degree characterised by negotiations. STU had to handle a larger number of other actors and attracted more political attention. STU's possibility of steering the activities of STUF, its internal research council, was also constrained by the fact that the unit was constituted as a pure research council, controlled by the scientific community.

NETWORKS AND INSTITUTIONAL LEGACY

Networks connected to the agencies shaped the processes. BFR had a network that involved members of the housing and building sector, and had traditionally had a strong connection with the building industry. In the study I have shown that this network was used by the council to argue against a strong influence from the scientific community, and also that the network was important with regard to developing new solutions and proposals. STU, on the other hand, had a weaker network. It had not, in the same way as BFR, strong connections with members of an integrated network. Relationships were instead based on co-operation within specific areas such as IT and material technology, i.e. smaller and more specialised issue-specific networks. In the case of the material consortia programme STU could use such an issue-specific network to change its administrative structures in accordance with research policy demands. There was no strong consensus on policy principles, but a common view that a problem had to be solved and a mutual dependence on resources and legitimacy between the actors in this small issue-specific network.

The process that preceded the creation of the Swedish research council for engineering sciences (TFR) in 1991 shows that the network of STU was not much help for STU in defending its budget and autonomy. One reason why STU did not manage to prevent the creation of TFR was that it had not, I would argue, a strong network that supported its mission. Firstly, the network consisted of a large number of different types of actors, and it was hard to find representative members of this group. Secondly, there was not a strong consensus on how support for research should be organised in this area. There existed, for example, a competitor in the network, IVA, which pushed for the creation of an engineering research council.

The agencies also acted as representatives and defenders of different types of institutional forms of organising the steering of research. The institutional logic of BFR was consistent with an almost ideal-typical sectorial research agency. Its role was to, by supporting relevant R&D, contribute to the solution of problems within the housing and building sector. The activity of the council was directed towards different political actors, as well as towards non-governmental actors such as the building industry. The institutional logic of STU was more closely connected to an idea and a specific mission. Its role was to strengthen the industrial and technological capability, but also to act as a substitute purchaser of new technology on behalf of some sectors of society. The mission of the agency was to, in close connection with industry, researchers and other relevant actors, support future technology areas with a potential for application in the existing industry. This mission was reflected in certain procedures and work forms such as framework programmes and a high usage of evaluations.

The proposal that these agencies to a greater extent should work in accordance with the institutional logic of a research council, which according to my definition constitutes a model where elected researchers dominate the board of the agency

and the evaluation of project proposals, led to institutional tension. The agencies argued that the institutional logic they represented could not, in all respects, be combined with the institutional logic of the research council. Especially was this the case with BFR, which was first and foremost a representative of different interests. STU had already, to some extent, researchers involved in project committees and evaluation, but the agency was not interested in giving the scientific community control over the overall funding priorities.

The strategies of the agencies for handling these demands were also partly in accordance with what is predicted in new institutional theory. The agencies used strategies of “decoupling”. STU created a small research council function to handle basic research, while the central mission continued to be in accordance with the old institutional logic. BFR created a scientific advisory board to handle the critique concerning the low scientific quality of the research funded by the council. The advisory board strengthened the legitimacy of the council, but did not play a significant role with regard to the internal development of BFR. Hence the new demand was dealt with, but the central mission was kept more or less intact.

The solutions and arguments of the agencies were not, however, only based on the institutional logic. The study shows that when the agencies were exposed to demands that threatened their survival as agencies, they tended to compromise with the institutional logic. In the case of BFR this pattern can be observed in the handling of the co-funding research policy, which over time became essential for the survival of the agency and therefore more important in framing the action of BFR than the institutional logic. In the case of STU this was observed in the process of negotiations regarding TFR, where STU acted to keep a larger research council within the agency, regardless of the consequences for its mission.

Institutional arrangements are often regarded as hard to change. I have, however, shown that administrative structures under certain circumstances can be bases for change and institutional innovation. The Material Consortia programme was based on the framework programmes of STU, but this old structure was combined with new elements that were in accordance with the demands of the new research policy. The selection of research groups was, for example, to a large extent based on collegial decisions of the scientific community. It is, therefore, a case of institutional change through combination of new elements. STU, or actors within STU, can in this case be treated as policy entrepreneurs that worked to combine these elements. At the same time the initiative was also combined with other demands of public administration reform regarding management of objectives, evaluation and new (international) ideas on how research should be governed. The case shows the dynamic between political demands, institutional legacies and new ideas in the process of institutional innovation.

STABILITY OR CHANGE IN THE ORGANISATION OF RESEARCH STEERING?

The development of the relationship between state and science, concerning for example how research funding has been organised, has changed over time. According to a number of studies this relationship has undergone dramatic changes during recent decades. One central hypothesis in this literature is that disciplinary organised research is losing ground to research that is performed in close relation with different political and commercial interests. According to these studies the institutional influence of the scientific community is decreasing, while the influence of societal interests is increasing.

According to my study of the development in Sweden during the 1980s and partly the 1990s, these conclusions must be modified. Firstly, the study shows that the research council model, and the traditional and disciplinary structures, was strengthened rather than weakened during this period. The study shows that the research council model is a relatively stable institutional solution, based on established norms and an agreement between state and scientific community that neither party seems to be finding it in their interest to leave.

Secondly, the study shows that the sectorial research models that BFR and STU represented can be characterised as unstable institutional models of research support. They lacked the integrated networks, norms and expectations that characterised the research council model. The models were dependent on continual negotiations with other actors, for example the building industry, universities and other state actors. The long-term problem for both agencies, at least when it comes to research support, was to maintain a strong legitimacy in the research community.

Thirdly, the study shows that, despite this, the sectorial model was a base for institutional changes in research steering structures. The Material Consortia programme in particular, but also the co-funding structures of BFR, were new solutions, examples of incremental institutional change. The problem with these kinds of programmes is that they can, if not complemented with a high degree of trust between the actors involved, be unstable.

ACKNOWLEDGEMENTS

This text is a summary of a doctoral dissertation presented October 19 2001 at Linköping University: The dissertation "Motsträviga myndigheter. Sektorsforskning och politisk styrning under 1980-talet" is a result from the research programme "*The Universities and the New Research Landscape*" co-ordinated by Ulf Sandström at SISTER. For further information see <http://www.sister.nu/forskningslandskap/>.

ARBETSRAPPORTER/WORKING PAPERS

- 2001:1 Alexander Kanaev & Albert Tuijnman: *Prospects for Selecting and Using Indicators for Benchmarking Swedish Higher Education*
- 2001:2 Lillemor Kim, Robert Ohlsson & Ulf Sandström: *Kan samverkan mätas? Om indikatorer för bedömning av KK-stiftelsens satsningar*
- 2001:3 Jenny Beckman, Mats Benner, Olle Persson & Ulf Sandström: *Nya arbetsformer inom diabetesforskning - studier kring en nätverkssatsning*
- 2001:4 Ulf Sandström: *Om den svenska arkitektur-, bostads- och stadsbyggnadsforskningens karaktär*
- 2001:5 *Verksamhetsberättelse 1999-2000*, Föreningen för studier av forskning och utbildning
- 2001:6 *Kunskapssystem i förändring*, Verksamhetsprogram 2001-2003
- 2001:7 Martin Meyer: *Science & Technology Indicators Trapped in the Triple Helix?*