

SNS DEMOCRACY
COUNCIL REPORT 2022:
*Local Democracy
at a Crossroads*

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Summary

MUNICIPALITIES PLAY A PIVOTAL ROLE in the design of Swedish government. They are responsible for important policy areas in the welfare state, such as childcare, primary school, secondary school, elderly care, and social services. To finance their expenses, they have the right to tax their inhabitants. Furthermore, more than half of all Swedish public sector employees work in municipalities. Based on this design, Sweden is often described as one of the most decentralized countries in the world. Hence, it is clear that if Swedish democracy is to function well, its local democracy needs to be in good shape.

However, municipalities are currently facing mounting challenges. Demographic changes have led to a shrinking proportion of working-age individuals having to support an increasing share of the non-working population. Urbanization presents additional challenges. Growing, predominantly urban, municipalities face challenges associated with rapid population growth, while shrinking rural municipalities must manage fundamentally different political problems, such as a diminishing tax base and cutbacks in services. At the same time, climate change, sustainability issues, crisis management, integrating immigrants, and preventing organized crime, are highly prioritized and tough tasks that Swedish municipalities are expected to play an important role in solving.

At the same time, demands have been made over the past decade for restricting the scope of local self-government in the form of stricter control by the state, or even nationalizing some municipal responsibilities. The municipalities thus face a future where many necessary and difficult decisions must be made when at the same time the legitimacy of local self-government is called into question. In this situation, we maintain that it is important to safeguard local democracy and ensure that it works as well as it possibly can.

The SNS Democracy Council report 2022 takes its departure from these premises. Our aim is to study how Swedish local democracy is doing, analyze the most important challenges facing it, and critically review the main choices we see ahead of us. In addition, we present a few proposals for reforms that have the potential to make local democracy more robust and sustainable in the long run.

Timeless and difficult problems

Sixty years ago, SNS published a book entitled *Kommunaldemokratien i fara?* (*Local democracy in danger?*). Since then, several government commissions have been appointed to review and attempt to strengthen local democracy and local public administrations. Several problems and drawbacks have been identified over the past six decades, such as decreasing citizen participation, the strong political influence of local bureaucrats, the weak role of local councils, and the dwindling membership figures in political parties, as well as a lack of social representation in the municipalities' decision-making bodies. Concerns have been raised regarding the increasing concentration of power, and the Swedish Local Government Act's emphasis on assembly government as a model for the executive branch of local government – where all parties are represented on the board and in committees – has been questioned. Many measures have been proposed to solve these issues, and continuous efforts to develop democracy have been implemented in many individual municipalities. Nevertheless, the way the democratic problems of Swedish municipalities are depicted today is strikingly similar to the worries presented in the 1960s and 1970s. Thus, several of the identified problems seem to be very difficult to resolve.

Contradictory and conflicting logics of democracy

Part of the explanation why these problems are so difficult to solve, we believe, is the varying points of departure of both previous government commissions as well as their proposed reforms. An analysis of the historical development of local government in Sweden shows how both formal and informal institutions have emerged incrementally. However, the reforms that have been launched have rarely replaced previous institutions completely. Instead, layer upon layer of older institutions has survived, despite the addition of new ones. And this not only applies to local political institutions, but also to how local administrations are organized. A review of

the problems considered by governmental commissions and the reforms seeking to strengthen local democracy reveals that the commissions seldom explicitly state which democratic principles they rely on. Hence, it is not uncommon that the reforms that have been launched to strengthen and develop democracy are based on conflicting normative ideas on how to best realize democracy. As a result, regulations and tools for strengthening and deepening democracy have over time been introduced in the local government sector based on different models of democracy with conflicting values and expectations on how democracy ought to work.

To analyze local democratic practices in Sweden, we employ four models of democracy: assembly government, competitive democracy, participatory democracy, and marketization. Today, all these models exist side by side in the Swedish municipalities. All of them are firmly anchored in legislation, informal norms, and practices. At least on paper, it is possible that these models could complement one another. However, when the models adopt fundamentally different positions on which democratic values should be given priority, they risk ending up in conflict and ultimately opposing – thus counteracting – each other. To avoid the legitimacy of local democracy being called into question, and to simultaneously strengthen conditions for accountability, we argue that key decision-makers – both nationally and locally – must decide which model of democracy they want to emphasize and prioritize. When you ultimately decide which kind of democracy you want to steer towards, it becomes far easier to identify which reforms are needed (and, conversely, which ones are not).

Our conclusion is that there really is no realistic alternative to electoral democracy. Models that are not based on elections – such as participatory democracy and marketization – can to varying degrees be incorporated as elements of local democracy. However, this is only the case if they are designed as a complementary and supportive element to electoral democracy, not as competing with – and thus potentially counteracting – the legitimizing mechanisms found in electoral democracy.

Given our view that electoral democracy should be prioritized, the next choice is whether local democracy should lean toward assembly government or toward competitive democracy. The assembly government model, which is based on consensus and the parties taking joint responsibility for the implemented policy, is the traditional model which still forms the basis of the Swedish Local Government Act. Competitive democracy, which actively affirms party conflicts, majority rule, and the principles of parliamentary democracy, is a model that has gradually emerged as a *de facto* practice – albeit chiefly on an informal basis. At present, the assembly government and competitive democracy models coexist in such an intricate and informal way that it might be difficult for citizens to

understand how local politics works. There is a risk that this weakens accountability mechanisms. Therefore, we believe that the institutional structure of local democracy needs to be refined, which is why we argue that a formalization and institutionalization of competitive democracy is appropriate and desirable.

Political parties under pressure

Regardless of whether you prefer assembly government over competitive democracy (or vice versa), political parties are expected to play a major role in local democracy for a long time to come. Although political parties are necessary for the functioning of local democracy, they are still among the most reviled and condemned actors in Swedish democracy.

That said, although citizens' trust in political parties could be much stronger, the situation is not quite as dreary as often portrayed in the public debate. For instance, trust in parties has gone up since the late 1990s. The decline in party membership has slowed down and, in fact, has essentially leveled out over the past decade or so. In addition, adolescents and young adults seem to have a growing interest in joining political parties, and new research in this area suggests some potential regrowth in membership.

At the same time, there are problems with a few of the essential functions that parties are supposed to fulfill in a democracy. The recruitment problem is perhaps the most important. Even though the number of elected positions in municipalities has decreased, parties still have a hard time finding suitable candidates in many locations, especially in small and rural municipalities. The problem concerning recruitment also includes shortcomings in social representation, where women, young people, and immigrants are underrepresented among Swedish local politicians. Social representation is the most problematic when it comes to more prestigious assignments. To make matters worse, the problem of social representation is worsened by so-called "premature dropouts," meaning that politicians leave their assignments before the end of their term. As young people and women are more likely to leave office prematurely, social representation gets even worse the further we get into an electoral period.

The possibility cannot be neglected that, at least partly, the parties themselves are to blame for their recruitment problems and lack of social diversity. There are indications that parties do not seem to be sufficiently proactive in their strategic outreach, and in some instances, they, perhaps somewhat unknowingly, tend to discriminate against underrepresented groups. Furthermore, established Swedish parties have for a long time suffered from an inability to engage with new issues

and opinions among the local electorate. An expression of this shortcoming is the fragmentation of local party systems. New local parties have been formed and gained momentum in the past four decades, while the established parties have lost support. Moreover, unlike in the past, a single party rarely wins a majority of the seats in a local council, and consequently, it has become increasingly difficult to build solid governing coalitions.

Need for clearer boundaries between politics and administration

As the Swedish welfare state has expanded, municipalities have gradually been given an increasingly important role in implementing the ambitious Swedish welfare policy. From a time when municipalities were best characterized as having “laymen administrations,” throughout the latter half of the 20th century, administrations have expanded immensely and become ever more professionalized. Over time, however, the drawbacks of having blurred boundaries between politicians and bureaucrats have become apparent. There is a scholarly consensus on the benefits of having clear boundaries and relatively autonomous bureaucracies. Boundaries are required not only to avoid important political decisions ultimately being made by bureaucrats, but also to minimize the risks of the bureaucracy being politicized. Thereby, clear boundaries have the potential to ensure that local authorities are characterized by legality, impartiality, and legal certainty, in addition to enhancing conditions for accountability.

Today, the Local Government Act only very sparsely regulates the rule of law and the municipalities’ vast responsibility as employers. The question of which decisions the municipal committees *must* make, and which decisions *may* be delegated to civil servants represent two examples where ambiguities may arise. The remit of the municipality’s chief executive officer is also, for all intents and purposes, unregulated.

At the central government level, Sweden has a clear dualism with relatively independent authorities, at least on paper. There is no corresponding judicial separation between politics and administration in the municipalities. This leads to local solutions and, hence, substantial variations in how the relationship between politics and bureaucracy plays out. Problems may arise when some municipalities are strongly influenced by unelected bureaucrats (and thus, we observe, weakened influence by politicians, thereby leading to undermined electoral democracy), while administrations in other municipalities are politicized (meaning that the rule of law, professionalism, views of experts, and meritocracy are at risk). Which kinds of decisions should be political and which should

be made by bureaucrats is a thorny and complex issue, but the current ambiguity and lack of regulation is highly unsatisfactory.

A stable and well-functioning democracy

Concerns are regularly raised regarding the state of Swedish democracy in the public debate, as well as in recurring government commissions on democracy. The SNS Democracy Council 2022 joins this long line of commentators and experts whose primary focus is on the shortcomings of local democracy.

That said, it should be strongly emphasized that analyses of the current state of democracy must not be allowed to turn into unfounded alarmism. The problems that need to be addressed need to be put into a wider historical and international perspective. In almost any way it is assessed, Swedish local democracy seems to be quite healthy. Election turnout is comparably very high (84% in 2018) – in fact, it has increased in every election since 2002. When citizens are asked about democracy in their home municipality, 7 out of 10 are satisfied with its workings. These figures have been more or less stable during the past 20 years. Any way you look at it, we cannot trace any growing dissatisfaction with local democracy. In international indices, furthermore, Sweden is regularly ranked as among the best in class when measuring democracy and the rule of law. The state of Swedish local democracy must thus be classified as quite satisfying. However, given the great challenges facing municipalities, we maintain that local democracy still requires some reforms to better handle future challenges and to be more robust and sustainable.

Reforms to strengthen accountability and democracy

The thorny and complex relationship between politics and administration is a problematic and delicate issue, and we call for clarity to strengthen and guarantee accountability and the rule of law. To provoke creative thinking on this issue, we introduce an innovative way of designing this relationship. We suggest the establishment of a new form of municipal administrative authorities (called *kommunala verk*) as one of several options. This has the potential to clarify the division of responsibilities between political institutions and the bureaucracy in a manner emulating conditions at the national level. However, we leave it up to the municipalities to locally decide more exactly where the boundaries between the two should be drawn.

In the choice between assembly government and competitive democracy, we propose an institutionalization and formalization of the latter. Reestablishing assembly government as the dominant model would be an attempt to force *de facto* behavior on the ground to align with an institutional map that no longer actually applies. Prioritizing competitive democracy, on the other hand, means adapting the institutional map to *praxis* (i.e., the real-world behavior of, for instance, political parties and politicians). For all intents and purposes, competitive democracy has already in practice become the dominant model of everyday political behavior in Swedish local government. The values underpinning party-based competitive democracy are also strongly rooted among both citizens and politicians.

However, competitive democracy currently lacks formal institutions backing up and legitimizing the model. Against this backdrop, we propose reforms that steer local democracy in a more competitive democratic direction. But rather than proposing all-encompassing and sweeping reforms, we recommend gradual, pragmatic changes in the hope that the legitimacy of the system can be maintained among the key players who inhabit it.

We propose that it should be made much clearer which parties participate in the ruling coalitions of a municipality by regulating that the council makes a formal decision on this matter at the beginning of each term of office. The election of the chairman of the executive board can take place according to the same principles in terms of how the national parliament (*Riksdagen*) elects a new prime minister, where it is explicitly stated by the candidates which parties are included in the ruling coalition. We propose that this ruling party coalition should be granted a majority of the seats on of the executive board and all committees – even in cases where the parties of the coalition constitute a minority of the council seats. Moreover, the council should have the power to remove a ruling coalition by a constructive vote of no confidence, implying that a ruling coalition can only be removed if there is a new coalition ready to take over with the support of the council. Through a clear boundary between the council and the executive board, the division of power between the elected assembly and the executive is thus promoted.

Reforms of this kind, which clarify and formalize the role of ruling coalitions, need to be accompanied by significantly strengthening the political opposition. Therefore, we propose that opposition parties continue to be represented on the board and all committees, and that the opposition is guaranteed the chairmanship of the municipal audit board at the same time as opposition parties are given increased administrative support.

We believe that this package of (in our view, fairly limited) reforms to formalize competitive democracy and parliamentary principles is pragmatic and feasible and should work in all types of municipalities. Our hope is that it will be possible to introduce this type of solution at least on a voluntary basis; for example, within the framework of organizational experiments (*frikommunförsök*).

When it comes to introducing participatory democracy and marketization, we believe that the municipalities themselves – according to the principles of self-government – should be allowed to decide locally to what extent these models should be introduced, not least since the conditions and support for these models vary between municipalities. Nevertheless, we strongly believe that participatory democratic tools and market-inspired instruments (such as customer choice) must be designed in a way that complements, rather than works in direct opposition to, electoral democracy.

Finally, it is important to critically reflect on the municipalities' relationship to the state and how this is regulated in the constitution. Increasing calls for control and nationalization of municipal tasks risk curtailing the municipalities' autonomy and room for adopting local solutions to local problems. This worries us. The European Charter of Local Self-Government emphasizes that local self-government is an important building block for a well-functioning democracy. In times when liberal democracy has increasingly been called into question in parts of the world, we find it necessary to protect the values of self-government. Hence, we believe that Sweden's criticized and relatively weak constitutional protection for local self-government and local democracy ought to be strengthened and better protected.

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