Else Øyen
University of Bergen

The Political Game of Social Policy Making

During the last decade or so politicians and bureaucrats of the welfare state have been faced with ever increasing problems. Some of the predominant challenges confronting the guardians of the welfare state are growing expenditures, mounting awareness of the complexity of giving adequate medical and social services, rigidities of organizational solutions and diminishing backing in the population in favor of the welfare state. The literature on crises *in* the welfare state, *by* the welfare state and *of* the welfare state illustrates the problems and provides the academic framework for analysis of the situation (although the notion of crisis is severely challenged by several authors).

The welfare state is a relatively new social phenomenon and there are no precedents, neither for the problems that have emerged, nor for the solutions available. When confronted with problems the development so far seems to have been a return to solutions of the past. In all kinds of welfare states the tendency has been to call again upon the market forces and reduce state intervention, to shift health and social programmes from the public to the private sector and upgrade the role of the family, to return centralized responsibilities to the local communities, and to emphasize selective measures at the expense of universal welfare state programmes. It looks like these "solutions" have swept all over the world, regardless of the size and content of the problems they are intended to solve. "The demands for these measures have been set forward independent of the degree of development of the welfare state or the colour of the political party in power. They have also been forwarded independent of whether economic difficulties have penetrated the national economies or only touched

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upon the fringes, whether state intervention and bureaucratic responsibility are extensive or limited, and whether national unemployment rates are unusually high or moderate" (Øyen, 1986: 10). The picture is such that questions can be raised as to the logical relationship between the solutions offered and the problems the welfare state is facing.

In the following we shall take a closer look at one of these solutions, namely decentralization, and analyze different political strategies involved in obtaining this goal.

1. *Decentralization as a solution*

Decentralization takes many forms, and the empirical evidence of the effect of different kinds of decentralization in the welfare state is scarce. Decentralization is usually seen as the shifting of responsibility for a certain program or problem from a higher to a lower administrative level. The legitimating force behind the demands for increased decentralization is a perceived need for more democracy and local authority, to be achieved through shorter links between administration and consumers. As in the early works of Himmelstrand it is stressed that the transmission of information, choice and influence on decision making are essential factors for the functioning of an "ideal" democracy (Himmelstrand, 1960: 206-210). But important elements in demanding change through more decentralization are also conflicts over the control of resources and the organization, power struggles between different professional groups concerning their relationship to the consumers, and a scepticism of the role of the state and the central bureaucracy as providers of welfare services.

Britain can here serve as a case demonstrating the ongoing discussion on decentralization. But Hungary, for example, could just as easily be brought forward as a case (Verebelyi, 1986), in order to show the universality of the discussion.

Social scientists strongly disagree as to the value of shifting the responsibility for social programs from the central level to the periphery. It is generally accepted that there is a need for more efficient social services, that the delivery of services should be more human, and that services in cash and kind should be more fairly distributed. But while there seems to be some unity as to the goals to be achieved, it seems more difficult to reach a joint position on the diagnosis of the problems and the adequate strategies to be promoted. The dilemma is shared

by socialist politicians who are divided between the supporters of the traditional centralized welfare state and the supporters of "new egalitarianism" who see a renewal of socialism through increased decentralization (Fudge, 1984).

Hambleton and Hoggett are among those British social scientists advancing the notion that, given certain organizational conditions, decentralization below the administrative level of the municipality can be seen as an instrument for achieving necessary and long overdue changes in the welfare state. Besides improving the quality of the welfare services, decentralization in their view forces the welfare services to become more need-based and equitable, because the visibility of the services also make them more accountable to the public. They see the political awareness in the community mounting as people's sense of ownership of the services increases, thereby winning public support for the collective provisions of local services (Hambleton and Hoggett, 1984: 1-13). The argument is carried further when it is maintained that another objective of decentralization is to become a challenge to the existing professionalized welfare state apparatus (*ibid.* 28), and to break the monopoly control of state professional production (*ibid.* 29).

Pinker is one of the exponents for those social scientists who sees increasing decentralization as undermining the very nature of the welfare state. He is aware of the many anomalies created by a centralized bureaucracy but argues that further decentralization, without a universalistic framework, will create anomalies that are even harsher on those who depend the most on the welfare state. The closer the professionals, as well as the non-professionals, come to the clients, the more likely it is that personal characteristics of the clients, and not the need of the clients, will influence the judgement of those in charge. The acceptance of universalistic principles are at the core of the welfare state, and extended decentralization combined with discretion is a threat to equity. The state, and the distance between the givers and receivers, are so far the best guarantees for a socially and geographically fair distribution of benefits (Pinker, 1982).

2. *How much decentralization?*

The patchwork approach to decentralization goes even further in dissolving the relationship to established administrative units, when decomposing the target population for

the services into small "patches" of 100-500 household which are located in geographical and social proximity. The linkage to the grassroots is emphasized through the recruitment of personnel in and by the community (Hardie, 1986).

The example illustrates the point that there is no natural numerical point at which it can be said that the process of decentralization has been completed. The only logical stopping point for the "botton up" approach is the single individual.

There is no scientific evidence which can solve the classical choice between centralization and decentralization. Whatever organizational form is chosen there are inherent gains and losses, sometimes for the same groups, sometimes for different groups or society at large (Rupel, 1988). The issues touch upon such basic questions as the democratic forms and the collective rights versus the individual rights of the citizens. Therefore, *the choice between centralization and decentralization becomes a matter of political and moral decisions, and not just a matter of social engineering.* Once these decisions have been made, in principle decentralized organizations can be tailored to the goals to be obtained.

Three of the small and well established welfare states can serve as examples of different ways of facing the dilemmas involved in decentralization as solutions to pending problems. Norway, Denmark and New Zealand are among those welfare states where cautious decentralization has aimed at transferring a limited number of social programs and competence from the central and county level to the municipal level, the so-called 1st decentralization (Prahl et al., 1988: 15-33). Some of the larger municipalities in turn have carried this development into still smaller geographical units for delivering social services, or have placed the responsibility with ethnic groups or minority groups to be served, the so-called 2nd decentralization. The state is carrying part of the expenses for the programs, and the tendency is towards the use of block grants instead of earmarked grants, and an increasing transfer of the financial burden and control to the periphery. The reasoning in favor of intensifying decentralization is the same in all three countries. The value of local democracy, better response to individual needs, and more flexibility in organizational accomodation to the community in order to produce efficient and cost saving units, are vital parts of the legitimating arguments (Kjellberg, 1989: 4).

The arguments produce a mixed bag of ideological and financial goals to be pursued (Kuhnle, 1980). Denmark and

New Zealand are among those countries that have experienced severe financial constraints on the welfar estate, and this is reflected in the discussion. Norway may now be heading for the same development, and lately financial arguments have come into focus there as well. Common for the three countries is the explicit call for extended involvement of the citizens in the social programs, the so-called 3rd decentralization. This phenomenon can be interpreted in at least three ways. On the one hand the invitation to more involvement can be seen as a democratizing measure, trying to close the gap between the information-rich and the information-poor (Szecsko, 1986: 438). On the other hand new ideas have penetrated large segments of the informed public, calling for individuals to take more responsibility for their own wellbeing, aquire knowledge which was formerly reserved for the welfare professions and to engage actively in preventive work and influence the content of social programs. A third interpretation is of a more financial nature, as privatization, deinstitutionalization and transfer of welfare activities to voluntary agencies become instruments for shifting the economy from the public to the private arena.

Common for the sentiment in the three welfare states is also a pronounced need for more precise knowledge about the functioning of the social programs and the situation at the "grassroot" level. While the gap between those providing the services and the consumers may not actually have widened, the need for information in order to produce more rational decisions has certainly increased. The immense costs of the programs make it pertinent to the bureaucracy to secure information which allows an evaluation of the investments. The sizeable number of potential voters benefitting from the programs makes it just as important to the politicians to evaluate the success of the programs. But few of the programs have been constructed in such a way as to give continuous and consistent feedback about the actual functioning of the program, the distribution of the services and the coverage of needs.

However, the three countries have chosen different profiles in their striving to mobilize local problem solving.

The Norwegian approach has been rather loyal to the existing administrative structure, and innovations have mainly been linked to the establishment. The decentralizing measures have not only been geographical, but have included transfers of competence as well as delegation of decision-making. Although the actual shift of programs to the local level has increased, the ties between central and local authorities are

traditionally so intertwined and manyfold that it is difficult to sort out the power relations between the different administrative levels (Strand, 1985: 17). The Norwegian Ministry of Consumer Affairs and Government Administration initiated a general scheme aimed at providing better access to public services, including welfare services, and the Ministry of Social Affairs followed up. Social scientists have been invited to review social programs, evaluate alternative organizational solutions and provide data for decisionmaking, based on the experience of the consumers. New channels of appeal and feedback have been established, such as an ombudsman for health services on the county level. And built into social legislation is a provision which gives room for experimentation with new social programs and extensive discretion. A key word to understanding the development is consumer participation (NOU: 38, 1988).

Denmark has gone through somewhat of the same development as Norway, but during the last couple of years it has chosen a more experimental path. Underlying the change of direction is among other things a disillusionment with social scientists who have failed to develop adequate research results to help the politicians and bureaucrats sort out the political and moral dilemmas embedded in the welfare state. This goes hand in hand with the call for debureaucratization set forward by the Conservative government, and the call for better control with the professions, set forward by the bureaucracy. In 1988 Parliament granted 50 million d.kr., and another 100 million d.kr. for each of the following three years, to be earmarked for local initiatives in the social sector. Individuals or groups of citizens, voluntary organizations and local administrations are invited to come forward with projects that can further new solutions to social problems or have a positive impact on preventive work. As examples are mentioned activities for very young children, help to families in a difficult situation, and care for the elderly, handicapped, immigrants or those who are permanently institutionalized. The idea is to involve more people in problems concerning their everyday life and to make use of the experience of lay people. It is specifically stated that projects transgressing administrative and professional borders are given priority, since it is important to break down traditional administrative procedures (Socialministeriets udviklingsmidler, 1988). In short, social problems are no longer to be seen as the property of the professions or the social administration. The Ministry of Social Affairs is

responsible for the allocation of funds, thereby shortcutting the distance between the centre and the periphery, and undermining the power base for the local social administration. The social scientists are also being bypassed, in particular those at the government financed institute for applied social research where for many years the ministry has commissioned its research.

3.   Consulting the people

New Zealand has gone even further in experimenting with the bottom-up approach, hereby creating new flows of information between users and decision-makers which is unique for the modern welfare state and opens up for hitherto unknown innovations in social policy-making. It is the kind of experiment which may move future ethical and moral boundaries. But it is also *a decentralizing strategy which is challenging the entire political and aministrative organization of the New Zealand welfare state* (Øyen, 1988).

In 1986 the New Zealand Labour Prime Minister, David Lange, took the initiative to establish a *Royal Commission on Social Policy* which was to review the entire New Zealand welfare state through *extensive consultation with the people* (Terms of reference, 1986). The rationale behind the establishment of the commission was many-sided. The Labour government had a new election coming up the following year, the outcome of which was uncertain. By making crucial social policy issues visible and involving the many potential voters in the discussion, the government stressed its commitment to the welfare state as well as to democratic procedures in policy-making. This fitted well with the early images of Lange as a humane politician concerned with social issues, and the Prime Minister himself tailored the terms of reference for the commission. At the outset the commission was seen by government not only as a political instrument, but also as an instrument for economic reforms. The New Zealand economy was having difficulties and increasing social expenditures were brought forward as one of the main reasons for the halting economy. Through the work of the commission it was believed possible to find measures for distributing welfare benefits more efficiently and curbing expenses.

The terms of reference stated that the commission "will inquire into the extent to which existing instruments of policy

meet the needs of New Zealanders, and report on what fundamental or significant changes are necessary or desirable in existing policies, administration, institutions or systems to secure a more fair, humanitarian, consistent, efficient and economical social policy...". The commission will report on "The extent to which New Zealand meets the standards of a fair society and the main reasons New Zealand falls short of any of these standards" and "Any associated matter that may be thought by the Commission to be relevant to the general objects of the enquiry" (Terms of reference, 1986).

At a press conference the Prime Minister elaborated on the terms of reference. The following points are of particular interest here. The background for the task of the commission was set against the changing financial situation of New Zealand and the need for economic growth. The power of the commission was stressed by saying there were no limits in the commission's capacity to suggest that future resources be used in different ways, and that the work of the commission was beyond the political process. The goal for a fair society was kept vague, but delimited to be a society free of inflation and unemployment, and using the concept of genuine opportunity instead of equality of opportunity. The term well-being within the community and the need for a cohesive society were other indicators of a fair society (Statement by Prime Minister, 7 august 1986; Press conference by Prime Minister, 7 august 1986).

In a widely distributed brochure about the aims of the commission the Prime Minister stated that the government must listen to the commission, as the commission must listen to the citizens, and people were invited to make written and spoken submissions. The goals for a fairer society in the future were spelled out, and now included education, housing, access to medical services, and a social policy "which is not just about the problems of the disadvantaged". But into the brochure warnings were also written. "Some of our goodwill towards the welfare state is close to being exhausted", and "some of it no longer serves its purpose". "We face new pressures" and "Social policy and economic policy cannot be separated" (A fairer future, 1986).

In the terms of reference it was laid down that the commission shall consult widely with the community, including Maoris, ethnic and other social groups, and adopt procedures which encourage people to participate with inputs into the work of the commission. The commission was also expected

to draw upon relevant findings and experiences from government departments, advisory committees, task forces of different kinds, and "independent" researchers. In the statement by the Prime Minister it was said expressly that the commission should go broader and deeper in its consultation than any other royal commission had done before, reaching out to the ordinary people.

The commission pledged to gather as many views as possible. In the first newsletter from the commission it was stressed that the commission must discover as far as it can what the widest cross-section of New Zealanders feel they need. In short, every citizen who could voice an opinion was asked to give the commission feedback. In the first newsletter the commission spelled out the expectations and invited people to come forward with what they felt was right and wrong with present programmes and what their concerns were. Concrete experiences with social programmes were at the core of the matter, but views about a future path for the New Zealand welfare state, ideas about a new scheme for disability pensions or barriers to further education were considered just as relevant. Since the goal for the work of the commission had been widely defined at the outset, the submissions were expected to cover as wide a range. In the second newsletter a submission was simply defined as letting the commission know what a person thinks must be done to achieve a more just society than the one at present.

4. *Channels of feedback*

The commission spent more than one million New Zealand dollar in public relations to arrange meetings in the communities, facilitate grassroot-networking, advise groups on how to make submissions and feed media. In order to follow up the intentions of having as many in the population as possible participate in the work of the commission several channels for individual as well as corporate and formalized inputs were organized.

The main office for the commission was placed in Wellington, with another office located in Auckland. The staff included consultants with particular responsability for liaison with Maoris, members of the Pacific Island community and disabled persons, as these groups were seen as being in need of special assistance in order to further their views. But the staff was available for all kinds of inquiries and inputs.

In order to provide more direct access to the members of

the commission two rounds of public meetings were arranged in the local communities for people to meet with the commissioners. The itinerary for the meetings which were held all over New Zealand was published well ahead. At the first round of meetings approximately 4000 people attended the public hearings, while "hundreds of thousands" were represented through umbrella and national organizations (Newsletter No. 1, 1987). Written and oral submissions coud be put before the commission at the meetings, but also presented privately to one of the commissioners. In addition the commissioners consulted other groups, such as trade unions, women's groups and Maoris.

An elaborate system of submissions was developed whereby the commisison accepted not only written submissions, but also acknowledged messages recorded on tape, as well as those presented orally at a public meeting or at an informal meeting attended by commissioners. The submissions could be on a single issue or on a whole range of issues which at a later stage would be sorted out. Earlier submissions to other royal commissions or other public agencies were also welcomed, as were statements concerning social issues which had been brought forward in another context. Submissions could be made by individuals, or on behalf of individuals, as well as by any kinds of groups, public or private organizations. A fund was available for assisting individuals and groups to prepare submissions, making sure that financial inequalities were not mirrored in the kind of submissions presented.

A freephone for women was established, where women were encouraged to give their submissions directly over the phone. Government departments and larger institutions were invited to submit papers on particular issues, stating what they thought were the most important matters to be considered by the commission. Papers came not only from the ministries on social welfare, health and women's affairs, but also from the ministry on energy. Researchers were contracted to do projects on problems related to the different aspects of the commission's area of responsibility, although the researchers were pulled into the process only at a later stage of the consultations.

The deadline for submissions was December 1987, and by then close to six thousand submissions had been presented. While it had been expected that the structure of the feedback channels might favor the strongest interest groups, the first analysis of the submissions showed a different picture. The

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well of middle class, the business community and the employers, the far right and the farmers formed a silent majority which apparently was underrepresented in the submissions. One hypothesis is that they did not perceive the activities of the Royal Commission as relevant for their situation. Another hypothesis is that they felt their interests were being taken care of in another arena (Øyen, *ibid.*).

5. *Setting the agenda*

The ultimate receiver of the feedback was to be the Cabinet. The commission had been given the mandate to receive the submissions, select them, sort them and fit them into new patterns before a final report was presented to government. No formal guidelines had been established as to how the information was to be selected. On the contrary, the commission had been publicly announced as having a free hand and expected not to let itself be tied down by trivialities.

At the outset the commission had five members, and later was added a sixth member. The Prime Minister had personally endorsed their appointment, but lists of nominees for the commission had been circulated in political groups and the bureaucracy beforehand, and the final choice of members was a result of a series of compromises. The members were supposed to represent the grassroots, in accordance with the populist trend in Labour at the time of bringing ordinary people back into politics, and none of the members were to be recruited among academic social policy experts.

It took a while before the commission had sorted out the concrete tasks in the terms of reference and decided on the directions for coming strategies. Although the deadline for the final report gave the commission only until June 1988 (later extended to September 1988) for completing a report, the general sentiment in the political milieu was implying a different time schedule. The future life of the commission depended on the outcome of the elections in August 1987. Il Labour were returned to power the commission could expect to continue its work and receive the necessary funding. If the Opposition won the election the commission would likely have been abandoned, cut short of funds or reorganized. No doubt the progress of the commission was slowed down, not only by the formidable task ahead, but also by the uncertain outcome of the votes to be cast by the New Zealanders.

As it turned out, David Lange was brought back into power

with 46 per cent of the votes and a majority of 15 seats in parliament. The work to be achieved by the commission was used actively in the political campaign by Labour prior to the elections, and media coverage of issues drawn from the terms of reference was widespread.

Expectations in the political milieu were still that the deadline for the commission would be postponed. It was becoming quite evident that the task of the commission was larger than that of any other royal commission before, and the present deadline looked unrealistic. If deferred further, the new deadline would approach the next elections in 1990, and the work of the commission could once more be used successfully in the political campaign of the Labour party.

During the campaign prior to the elections it had become evident that the public interest in the issues raised by the commission was far more pervasive than the politicians could have suspected when first bringing the matter forward. The idea of letting the people speak for themselves about their own concrete future was catching on, not only at the organizational level, but also at the grassroot level. Ordinary people were grasping the unique opportunity to voice their opinion on all those everyday matters of quality of life they were unhappy about, in their own words and on their own terms, without having to abstract them into bureaucratic or political terms. Evidently the setting of the agenda was moving into new hands.

6. Scrambling for control

To the politicians the success of their initiative was undermining their own influence on the outcome of the enquiry. The need for government to control the social policy agenda was closely linked to the ongoing economic policies. In spite of a certain economic growth the New Zealand economy was under pressure and the Lange government was forced to put into effect harsh financial measures for reshaping budgets, cutting expenditures and attacking unemployment figures getting close to eight per cent. The move was increasingly towards larger acceptance of the influence of market forces, the so-called Rogernomics (after the Minister of Finance Roger Douglas and Reaganomics). The rural sector was the first to be restructured. So far the welfare budgets had mostly been left alone, but the many calls for expanding social programs which came through during the campaign, must have been very alarming for the architects of economic reforms. If they were to suceed it was

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vital to gain control over the most costly issues in the material collected by the commission.

The commission itself seemed beyond control. Along the way it became very dedicated to the task at hand and simply went on with its itinerary of public meetings, consultations and publications as planned. Like the politicians the commission was stimulated by the extensive response by the public and escalated its activities in order to mobilize still larger segments of the population. For the left wing of the Labour party the commission became the focal point for resistance against the economic policies called for by the right wing of the party.

The first kind of control to be introduced in the commission was the establishment of a committee on Social Equity which was to sort out the important issues, filter the information and bridge the conflicts before a final report was presented to the Cabinet. The chair was the Deputy Prime Minister, and members of the committee were the Prime Minister, the Minister of Finance, and other members of Cabinet — who in their own due time were to report to themselves.

Another way of tightening the controls and diluting the content of the final report from the commission was the establishment of 17 working parties which were to review not only the report, but were to add any other material of relevance for social policy issues. The bureaucracy was eager to have its say. Two substantial reports on delivery of social services (Ministerial Task Force on Social Services, July 1987 and September 1987) and income maintenance (Ministerial Task Force on Social Services, July 1987 and September 1987) and income maintenance (Ministerial Task Force on Income Maintenance, December 1987) had already been produced, independently of the commission, and the conclusions were not in line with the material collected by the commisison. The agenda was firmly set by giving the different working parties responsibility for well defined and limited areas, such as income maintenance, social services, housing, etc. Members of the working parties were mainly drawn from the bureaucracy, and they were supposed to act independently of their ministers.

The legitimacy for establishing the working parties was the need for coordinating the many different views and the preparation of more coherent reports that the commission would be able to do. The hidden agenda was the introduction of a whole new game where power over social policy issues was transferred back to the bureaucracy and the politicians.

Another hard blow to the commission came in December

17, 1987 when the Minister of Finance issued an economic statement concerning new tax reforms which preempted the work of the commission. If implemented, the tax reforms would have a larger impact on the quality of life of the less well off New Zealanders than any recommendation the commission could come up with. The radical wing within the Labour party immediately denounced the new rogernomics, and the head of New Zealand's Roman Catholic Church named the government as "heartless and inhuman".

Apparently the Prime Minister had not been consulted when the economic statement was presented on "white paper" instead of "green paper", i.e. as a statement from Cabinet instead of a discussion paper. Whether this is true or not is of little importance here. The point is that the commission was seen as the battleground for the well known conflict between the Prime Minister and the Minister of Finance on economic and social issues.

The members of the commission threatened to resign and deliver the incomplete report in January 1988. The Prime Minister personally intervened, and in a statement in February disowned the tax reforms outlined by the Minister of Finance. By then the commission had already lost much of its influence and questions were raised in mass-media as to whether the final report would have any impact at all.

It may be a long time before it is known what impact the work of the Royal Commission will have on the New Zealand welfare state. The issues to be sorted out are not only moral and political. There are also severe methodological problems involved in deciding what "the will of the ordinary people" is. As the term of the commission was running out social scientists from all over New Zealand were called upon to help analyze the voluminous sets of data collected.

7. Concluding remarks

While decentralization is being forwarded as one of the major solutions to the serious problems most of the welfare states are facing, this "solution" may neither be an adequate nor a simple way of meeting the problems. This is brought out when comparing different kinds of approaches to decentralization in three small and fairly homogenous countries all of which have a long tradition as welfare states.

Decentralization takes many forms as it incorporates a number of variables which can enter into a multitude of dif-

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ferent constellations. The Norwegian model is one of cautious experimentation, brought about in close cooperation between the various administrative bodies and interested parties. This is in accordance with the Norwegian tradition after the second World War as that of a negotiating state (Olsen, 1988: ch. 7). The Danish model is a typical top-down approach, initiated by the central bureaucracy and sanctioned by a Conservative government which is furthering decentralization and debureaucratization in general. The lower administrative levels are being bypassed in the process as the experiment is aimed at incorporating the voices of the ordinary people, implying that debureaucratization may start at the local level. At this stage it is too early to predict the outcome of the project as nothing has been decided neither concerning the analysis of the results, nor the possible administrative implementation of a decentralized structure. The New Zealand model is also a top-down approach, initiated by the Labour party, and resisted by the bureaucracy as well as other political bodies. This kind of decentralization was in the outset designed to become a bottom-up approach, but when proved successful as such, was overtaken by powerful political processes representing vested interests in the outcome of the feedback from the grassroots.

Characteristic for the three models above are the attempts to serve several purposes at the the same time, some of which are clearly incompatible and implying goals that are counteractive to the social policy intentions which were the legitimating force behind decentralizing.. All the three countries are on the search for a renewal of the welfare state. But they are also captives of their previous history and the system of social programs and professional groups developed to serve the welfare state. Once established the social programs become a power base of their own which are likely to resist change when their area of responsibility is threatened. This resistance represents not only a blocking of new reforms, but also a defence against a general curtailment of the welfare state.

The interests of the state do only in part coincide with those of the welfare state. Identifiable within the mature capitalist state are contradictions which are reflected in the evolution of the welfare state. Social programs are designed to bridge the problems inherent in the capitalist states, but in their construction the programs always fall short of the ideal solution, thereby incorporating the contradictions of the state (Himmelstrand, 1986). Decentralizing is an example of a strategy trying to combine principles of extended democracy

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with the need for central control. So far no administrative system has been created which can make any large scale patchwork approach, or even the New Zealand experiment, survive over time without fragmenting the power of the state or evoking conflicts between economic and social goals. If the adversaries are to be pacified it seems politically necessary that the significance of the social programs be reduced proportionally to the degree of decentralization implemented.

Successfully introducing reforms in the public sector depends on several factors, and the more comprehensive the reform the less likely it is to succeed in accordance with the original intentions (March and Olsen, 1983). Reforms in the arena of social policy are likely to be even more difficult to carry through. The mature welfare state has turned into one of the most important institutions of redistribution, second only to the labor market and the family. In some countries social expenditures constitutes up to one third of all public expenditures, one fifth of the populiation get their entire economic support in benefits in cash, while many more receive benefits in kind through institutional care, health services, etc. Any attempt of decentralization is a challenge to the established pattern of distributing benefits and services, both to the beneficiaries, as well as to the administrative system and the rest of the national economy. The implied political and moral paradox is that the kind of decentralization which is most likely to succeed is the sort which either maintains the present distribution of benefits and services *or* favors those groups that voice the strongest protests.

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