SUCCESSFUL CHANGE?
EXPLAINING THE DEVELOPMENT PROCESS IN FIVE MUNICIPALITIES

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Successful change? – Explaining the development process in five municipalities

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What does Municipal Development tell us?

Insufficient understanding of the consequences of a specific situation and inadequate ability to learn from a process of change explain why organisations develop differently despite facing identical conditions and access to the same information. Even in cases of complete information symmetry, decisions and non-decisions vary, and organisations experience different stages of development and achieve different states. Stages of development can thus be explained by how individual actors understand and interpret given conditions and information provided over time. Understanding and interpretation is then, at each point in time, governed by how the conditions have previously been interpreted, and which decisions and actions have been taken. The alternatives for interpretation are limited over time due to the consequences of decisions made, and actions carried out, previously. In order to understand why a certain situation arises, and why change occurs, these limitations must be mapped out and described (see Coriat and Dosi 1998/2002 and Hodgson 1999).

In this study explanations are sought as to why five Swedish municipalities which were in financial trouble, have managed to alter negative trends. The five municipalities were awarded extra financial support by the government. The reason for this was that after their grant applications, the municipalities drew up rationalisation schemes to achieve financial balance. One condition for the grant payment stated that the municipalities had to reduce their gross expenditure and achieve financial balance, i.e. recorded income must be greater than recorded expenditure (see Brorström 1999). The five municipalities have according to the evaluation made by Swedish Treasury Department good opportunities to succeed with cutbacks in the rationalisation schemes. The research question, which is the basis for the study and which is looking for an answer, is, how do certain municipalities manage to alter a negative trend.

Institutionalisation

Central concepts in the studies of development processes are institutionalisation and institutions. The concrete meaning of the institutionalisation phenomenon is that ideas and methods of doing things become more natural over time for the actors concerned. Ideas stagnate, and are taken for granted (see Veblen 1899/1994, Liedman 1998 and Hodgson 1999). Institutionalisation makes ideas become rules of society – or institutions if you wish. An idea that was
once thought up by someone becomes an institution that sets the boundaries for decisions and actions. Institutions set regulations which actors consciously, or subconsciously, abide by. The fact that institutions exist means that many decisions made, and actions carried out, are not questioned because they are considered so obvious. Institutions arise as a result of inventiveness and creativity, and affect the individual actor, at the same time as it is the individual actor, that through his decisions and actions creates, maintains and alters institutions (Screpanti 1995, Tool 1998).

In order to explain the process of development for a specific organisation you need to know about the existing institutions (Atkinson and Olesen 1996). It is not possible to deeply understand a current situation and a process of development if an historical perspective isn’t applied. The institutions must be mapped out and known, in order to interpret meaningfully. Existing institutions explain why there is serious disruption in different activities’ methods of operation, and researchers must be aware of this situation and include institutions in the analyses (Tool 1991).

With an institutional approach a mapped-out course of development is finely monitored and interpreted in the search for ideas, important events and exceptional organisational qualities to explain the situation that has arisen. Activities and situations that can be identified can be intentional or non-intentional. One result of this is that established institutions can also be non-intentional. They have occurred, but not as a consequence of anyone’s intent. An idea has been spread and interpreted in a way that was not foreseen, which meant a new set of rules occurred. This does, however, not mean that the original idea wasn’t accepted (Rutherford 1996).

Another way of regarding institutions is that they may be desirable or undesirable (Dosi 1995, Coriat and Dosi 1998/2002). Desirable institutions work in order for the organisation to maintain efficiency, while undesirable institutions aren’t favourable for efficient development. The reason that undesirable institutions arise is that the idea that has been institutionalised has given rise to an undesirable result. Such an institutionalisation process can be explained in a number of ways.
The institutionalisation process has not permitted itself to be governed by the actors. In doing so, regulations arise that the organisation doesn’t benefit from (see March and Olsen 1989, Ostrom 1990).

Certain actors have worked towards achieving this effect, that is to say, a result that is a sub-optimisation from a holistic perspective. Influential actors affect regulations so they favour themselves personally or the sub-organisation they operate in (see Arrow 1964, Jaworski and Young 1992).

Institutions arise that were once desirable, but changes to certain environments have meant that they no longer regulate activities in the organisation efficiently. They are no longer suited to the conditions and prerequisites in the outside world (see Boland 1992).

Institutions are old and provide false knowledge concerning the decisions to be made and the measures to be taken; institutionalisation has crossed an efficiency-favourable line. Institutions that once favoured efficiency, have become restrictive for the organisation, because they create ritualistic behaviour and non-beneficial ceremonies (see Nooteboom 2000).

Institutions that develop over time are resistant to change. Adjustments are made based on how the organisation has done things previously. When a collection of institutions has arisen, mechanisms emerge that strengthen them and weaken possible alternatives. This is usually characterised as institutions becoming locked in (David 1985 and 2001, Arthur 1988a and 1988b, North 1990/1993). This blinkered behaviour can also be a result of the actors’ cognitive limitations. Actors are not capable of seeing alternatives to current institutions. What exists is considered to be rational, even if it isn’t (Bush 1987).

In order for the organisation to be successful over time, undesirable institutions must be eradicated. How this should be undertaken depends on how desirable or undesirable institutions are. The deciding factor is naturally that there is a consciousness among the actors in the organisation that the institutions exist. They must be well known in order for change to occur in any other way than by chance. Research has also proven the importance of institutional change, but without being able to predict under which conditions the change must occur. The researchers are not in agreement as to how strong institutions can be and under which conditions they can be changed (Bush 1987, Screpanti 1995).
According to our outlook institutions can change intentionally and this can occur in two different ways. One way is that present institutions will be knocked out in competition. New ideas are launched, which over time means that old institutionalised ideas become weaker and (almost) eradicated. They rarely disappear without a trace, but leave remnants behind that are still of importance. The other way is that institutions are defined as undesirable, are challenged and are changed. The result of the fact that institutions can consciously be eliminated is that a great deal of importance is attached to actors for institutional change. The institutional analysis focuses on institutions and actors’ importance and it brings special attention to the interaction between institutions and actors.

Thus, we consider institutions to be primarily intentional and the actions of the actors to be primarily goal-oriented. However, this doesn’t stop us studying institutions and institutionalisation from a functional perspective. Institutions are considered from the importance they have for an organisation, its finances and activities, and the actors from how they are actually affected by the institutions.

**Previous research – several syntheses and assumptions**

Four comprehensive studies with a institutional perspective and with the intention of explaining the process of development have been carried out by the research team that the authors belong to. The first study examined five municipalities, chosen because they all to some degree could be considered as successful and that they all, but to varying degrees, could be said to have a satisfactory financial position and satisfactory control of their finances. The second, and more comprehensive study, examined three municipalities concerning the possibilities of achieving cut-backs and where decisions concerning cut-backs, actions taken and results were interpreted from an institutional perspective. The third study examined municipalities and county councils that were given extra financial support by the government in order to master difficult financial situations. Questionnaires were sent to each municipality and county council, and case studies were carried out in five specifically chosen municipalities. The fourth study examined three co-operating county councils. A number of observations have been made within the framework of the four studies and tentative conclusions have been made concerning institutions and the actors’ importance and the interaction between institutions and
actors. Research has also treated the problem of how, and why institutional change occurs – or rather doesn’t occur. Five specifically important views are documented below.

- The concept of justice between municipal areas, between county council areas and between actors, becomes strongly institutionalised over time. The requirement for justice leads to caution in different respects which seem to promote efficiency, at least over a short-term perspective, but the requirement for justice also means that a number of decisions are taken which are irrational both in terms of operation and financially. The requirement for justice can be far-reaching and can constitute a draw back for favourable development (Brorström and Siverbo 2001, Siverbo 2001 and Brorström 2002).

- Favourable development in organisations requires a balance between continuity and change. Strong mechanisms that promote continuity and weak mechanisms that support change can lead to contentedness and reluctance to change. In contrast, a high degree of change and a low degree of continuity – based on the lack of trusting relationships and mutual decision making and actions – is leading to conflicts of ideas and resource-demanding change. The successful municipalities seem to have a better balance between continuity and change, compared to municipalities experiencing difficulties, which either suffer from contentedness or conflicts of ideas, or in extreme cases, of both. The starting point of contentedness therefore is that certain traditions are important to maintain, including the maintaining of justice. The struggle for ideas is based on the fact that there is constant change and a shift from central positions, plus different opinions as to what the priority areas are. The struggle for ideas is linked to the lack of a holistic approach and a lack of trust between actors (Brorström and Siverbo 2002).

- The third observation and conclusion is that individual actors matter. They are far more important than the formal organisational structures and management accounting systems. Individual actors can affect the course of development and change the institutional arrangement. Individual actors’ values and action patterns can be transferred to entire organisations and in doing so develop to become significant institutions. An unconscious or undesirable effect of strong leadership or entrepreneurial spirit can quite simply be persistent and out-of-date conditions for achieving necessary change (Brorström och Leffler 1999).
• The fourth observation is that co-operation is not as well developed in municipalities with financial problems. We cannot say for sure whether poor co-operation is a consequence of financial problems, whether poor co-operation produces financial problems, or whether there is a circular form of cause and effect. However, there is an obvious connection between co-operation and the financial situation. Weak forms of co-operation, along with far-reaching requirements for justice seem to lead to high transaction costs (Siverbo 2001 and Brorström and Siverbo 2002).

• The fifth observation of the previously performed studies, and verification of other former studies, is the occurrence of certain strong institutions within specific professional organisations. The will to change occurs in political and administrative management, but representatives of professional groups offer strong opposition. We have especially paid attention to control difficulties in our studies of healthcare that are not least a consequence of physicals’ influence (Brorström 2002 and Siverbo 2002).

A starting point of the studies of municipalities that have corrected a bad trend is that the municipalities, or any organisation in general that has succeeded in achieving a favourable change such as correcting a financial problem, have more or less succeeded in handling the problems that previous observations and conclusions point at. The requirement for justice is, at a manageable level, a balance exist between continuity and change. An agreement has occurred with an effect from previously active individual actors, improved forms of cooperation have developed and politicians and management have succeeded in mastering the objections of representatives of the professional organisation. How the above relationships concern municipalities and organisations that have turned a negative trend is important to understand. Why, in that case they have managed to achieve such change is, if possible, more important to understand and find an answer to.

Method

In order to answer the research question, it’s natural to study municipalities that have succeeded in correcting a negative financial trend. The research group received help from staff at the Department of Finance in the search for municipalities. They recommended five municipalities who in reports to the Department and during meetings gave the impression of having a
well-organised process for change. The staff at the Department stated that the decisions made by politicians in the five municipalities had produced, or will produce, positive results. It was their opinion that the five municipalities were successful in their efforts for change.

The research group decided to carry out case studies in the five municipalities. The case studies included in-depth personal interviews. There were a total of eight to ten interviews carried out with key personnel, of which half were politicians and half were civil servants in each organisation. A total of 48 people were interviewed. Examples of people chosen for the interviews were the municipal commissioner, members of the municipal board, chairman of the municipal council, municipal directors, chief financial officers and administration officers.

Interviews in the respective municipalities were carried out over one or two days by two interviewers. A total of seven researchers participated with the interviews in the five municipalities. Plenty of time was set-aside by the interviewees to answer questions for the majority of interviews. The interviews usually took around two hours, but in some cases this was limited to one hour. The majority of the interviews were lengthy discussions, where the interviewers tried to create a trusting relationship. It is the judgement of the research group that the interviews were characterised by a good and frank atmosphere.

The interviews began with a question where the interviewees were asked to describe the development of the municipality over a period they were acquainted with. Then they were asked to talk about the current situation and about the future. Direct questions were asked about why the financial situation became worrying and how the situation could be turned around. The inspiration for the interviews being conducted in this way came from, among others, Atkinson and Oleson (1996) and Samuels (1995) who consider that researchers must begin by observing, documenting, mapping out history and describing the current situation. Next, the researchers asked what the biggest obstacle against change was, and if there were any special characteristics of the municipality. The interviewees were able to say if there is anything that is “part of the furniture” in the municipality. Towards the end of the interview the politicians and civil servants were asked to comment such ideas and concepts as change, stability, adaptation, voice and co-operation.

Explanation of the concerns raised
Exploratory explanations of the concerns raised, based on the five case studies, are presented in this chapter. A recurrent observation is that leading politicians and their staff in the municipalities experiencing financial difficulties explain at least a part of the situation in their respective municipalities as being due in some way to unfavourable influence from the Swedish state. Two typical cases were noted. Firstly, the municipality was unfavourably affected by the state making changes in an administrative body, company or regiment through reduced job opportunities in the municipality. Representatives of the municipality sometimes questioned whether it was right for the state to make redundancies, and often asked whether the state should create replacement jobs for those lost. Municipal representatives are not against rationalisation within state activities, but the consequences of them when new job opportunities aren’t created. The natural effect of a reduction in job opportunities is that inhabitants move away from the municipality.

Secondly, the municipality has been unfavourably affected by re-organisation of the state equalisation system. Because the equalisation system has been adjusted a number of times since first introduced in 1993, many of the country’s municipalities have at one time or another considered themselves unfavourably affected by the system. The material gathered for this study has shown that it is the revenue equalisation, the so called Robin Hood system (take from the rich municipalities and give to the poor municipalities), that has been criticised the loudest, but dissatisfaction is also seen due to the equalisation system not compensating the municipalities for falling populations to an adequate degree. The Robin Hood system is considered by the municipal management in the one municipality of the five studied that expanded (the other four contracted) to be the main reason that a rationalisation scheme was required in the municipality. The structure of the equalisation system is considered to be a very important explanation for the development of a municipality’s finances.

Irrespective of whether the descriptions given in the case study are objectively correct or not, they have an affect on the finances of the municipality in practice. The feeling of being unreasonably affected by the state’s actions made the municipalities passive. Necessary decisions to adapt to the new situation of falling revenues were not made. In the municipalities’ past, when the state changed or moved activities, there was always something else to take its place. The municipalities bided their time in waiting for such decisions, or for the equalisation system to change.
Along with these explanations, where the state is accredited significant importance, are self-critical remarks about the lack of long-term financial planning. Deficits were budgeted for several years, which indicates that financial deficits are accepted. In a number of the municipalities studied, it was clear that municipal managers were far too oriented towards operations, and that the necessary balance between operations and available resources was not achieved. In certain municipalities no staff cutbacks were made due to the fact that it would add to the negative population trend. In practical terms, the actors performed their own regional politics. Another explanation of financial problems was that municipalities suffered from the desire to expand becoming too great. New housing projects were far too optimistic.

**How to achieve successful change**

The opportunity for politicians and civil servants in the studied municipalities to solve the financial situation by changing the actions of the state appeared to be limited. It was difficult to get the state to establish a major employer in the municipality and to radically change the equalisation system. The processes in the municipalities were influenced to a great extent by this attitude. The solution was not to change the main reason for the problem, even if they really wanted to, but rather to adapt to the new conditions. It is however important to emphasise that the state affected the new conditions by granting conditional financial support to the municipalities.

The incentive of the conditional extra state support was emphasised in the case studies as being important for the acceptance of the rationalisation schemes initiated in the respective municipalities. But the requirement for balanced finances was also considered to be vital. Statements suggested that the actors thought it was important to stay within the bounds of the law. The municipalities studied were thus driven forward by carrot and stick in their efforts to balance finances. These two factors are important explanations of the relatively good result in the five municipalities. They are however, hardly sufficient. Other municipalities with similar conditions have not attained the same results.

Consequently, it is important to also emphasise other circumstances. Other changes in the municipalities studied are important in context. Centralisation is considered to be such a
change. That financial problems or different forms of crises result in influence being centralised isn’t a new or unusual observation (see Hirschman 1970, Jick and Murray 1982 and Siv'erbo 1999) and it is in accordance with this material that is being analysed here. Centralisation was expressed both through change in the formal organisation towards fewer, or no supervisory boards, and that one or a few people in key positions were given, or had greater influence.

It was stated several times in the case studies that new, strong leaders were important for the handling of finances, but also that existing leaders gathered in smaller groups and practised greater control than before. A new and strong political and administrative leadership, possibly combined with centralisation in the form of organisational change seems to have contributed to the actions being produced and implemented. New working methods were found, which were highly significant for development. Strong leadership was focused on obtaining acceptance for financial restrictions in activities. Less consideration was given to the consequences for activities than before. The leaders had financial balance as their priority and were close to achieving this goal, or at least to a greater extent than previously.

It is obviously necessary that political management has the support of a majority of the publicly elected people in a democratic organisation. It is therefore not possible in practice, as the chairman of the municipal board, to pursue action plans and tough rationalisation schemes that aren’t accepted by the political assembly. The fact that political unity across party lines increased at the end of the 1990s in a number of the municipalities studied is thought to have made things easier for municipal managers. An explanation of this unity, and the increased focus on finance, was that awareness of financial crisis spread. Information concerning the municipality’s financial situation had been understood.

The question is why this wide awareness of financial crisis arose? Why did politicians and key personnel within activities become receptive to, and affected by, financial information? There is no single and simple answer to these questions. It appeared however that extraordinary events in municipalities played a certain part. These were events that were probably discussed in the entire municipality and not just among municipal managers or at the finance office. The events created the impression that the municipality was in a particularly difficult situation and that it was serious this time. One example was when fully habitable buildings were demolished. This was a clear sign that the municipality had serious problems. It became
obvious that the municipal finances faced exceptional circumstances. Another example was when banks, with reference to the municipalities’ weak finances, no longer granted loans, which was an immediate threat to activities. This was a message from an unexpected source that the municipal finances were insolvent. Politicians and personnel within activities had probably listened to alarming financial reports over the past twenty years from the finance office, which tried to initiate rationalisation. When the signal came from key creditors it became many times stronger and fostered greater acceptance for actions.

Many expressions of concern were made during the interviews. These were not however mainly about the possibilities of achieving financial balance. At two of the municipalities certain misgivings remained concerning finances, and all five were very vulnerable from a financial point of view. But finances were considered to be considerably better for all five municipalities, and quite good for three of them. The real concerns were for other matters. This included the effects the rationalisation schemes would have on personnel. The interviewees considered that personnel within a number of activities were under strong pressure and that it was reasonable to expect more personnel. The existing personnel were given heavier workloads. Many feared that costs would be put off to a future date when the municipalities no longer gave resources to the exposed personnel groups. The risk was, they stated, that in the future the municipalities would pay dearly for the current rationalisation. Other matters which worried politicians and civil servants were that resources wouldn’t be enough for urgent investments and necessary maintenance. They feared that they would also prove to be unprofitable over the long term.

The problem that is so common in public sector organisations arises here again: municipalities with already weak finances are caught between the requirement for balanced finances and improved services. The solution presupposes rationalisation or improved efficiency. A number of politicians and civil servants maintained that the limit for inter-municipal rationalisation had been reached and that co-operation across municipal boundaries was needed to find new rationalisation opportunities. At the moment co-operation appears to be a modern rationalisation tool.

Explanation of successful change
The issue that is of interest in the article is what is it that explains why certain municipalities succeed in correcting a worrying financial trend. The institutional perspective means that explanations are sought in the institutional arrangement and in the interplay between institutions and actors. The explanation to the change is sought in the emergence of new institutions and actors and in the fact that interplay between institutions and actors have brought about different actions and changes to institutions.

Various reasons are given when financial improvements are explained. Centralisation has occurred, leadership has changed, the political parties have become more in agreement, awareness of the municipality’s situation has spread, the extra financial support gave increased acceptance for new actions, the need for balance forced actions, the demolition of housing accommodation was an important sign that the municipality was under pressure and the banks’ credit denial indicated that the municipality must make changes.

The sequence of events in the course of development when the municipalities altered their situation is quite complicated to work out. Not even the interviewees from the respective municipality were sure of what happened when the situation changed. It can however be stated that successful change, based on the most conspicuous characteristics of change in the five municipalities, was favoured by basic conditions, acceptance, boosters and high capacity for decisions and actions.

There were two basic conditions for change. Both can be considered as external factors because both are in practice controlled at state level. One basic condition was that there were incentives for the municipalities. There was something extra to be gained in trying to handle and master the situation. The other was that there was a compulsion in the form of legislative demands. Formal regulations have obviously normalising effects.

As stated previous, the basic conditions were not sufficient to achieve change. If this were the case then all municipalities would have succeeded in doing so. The decisions and actions that were required had to have basic acceptance. Such acceptance required awareness of crisis. This level of awareness had probably existed in tighter circles in the municipalities some time before the decisions were made. For the decisions to be proposed and be practicable, however, awareness of the crisis state of the municipality had to be spread further.
Extraordinary events are considered to be of crucial importance if awareness is to spread. These events acted as some kind of booster. Boosters are events within the municipalities, which strengthen and spread crisis awareness. The banks’ credit denial and the demolition of housing are the boosters that appear in the study. Boosters create a new understanding for, and interpretation of, the situation of a municipality.

High capacity for decision and action is also necessary. It was facilitated through centralisation, through strong leadership and increased political understanding. The actions that centralisation and the new leadership meant were accepted because awareness was prevalent concerning the need for measures. The new leadership was supported by basic conditions and boosters, i.e. balance requirements, promises of extra resources from the Department of Finance, banks that questioned credit-worthiness and drastic decisions about the demolition of housing where decisions and execution symbolise that things aren’t in order. Political agreement in certain municipalities provided democratic legitimacy. Higher capacity for decision and action allowed the municipalities to manage better, from a financial point of view, justice requirements, to balance continuity and change and to establish co-operation. One unanswered question, however, is if professional groups have been controlled.

Has development changed?

A clear observation is that a number of established patterns in municipalities have been broken. Refusing to balance finances because it was the state that caused the problems, nearly became an institution. The view is that things are not like they used to be has spread and created room for action that hadn’t appeared before. It is also clear that new actors have had major influence in this change. Because it’s not possible to ensure that institutional change has occurred, it’s not possible to state that existing institutions have changed as a result of being defined as unwanted. It’s however possible to state that the questioning of the former situation and action patterns is an important explanation as to why the change has happened.

The above-mentioned method for handling a worrying financial situation will work in the short-term, but over the long-term it is unsure whether it will. We don’t actually know if the municipalities really have altered development. What have they actually achieved in a more long-term perspective? Two of the municipalities studied had gross expenditure increases of
more than 6 percent during 2001, and there are examples that finances in balance have been rapidly helped by revenue solutions rather than by cost reductions. On the other hand, seen from a financial point of view, things are looking better in the five municipalities than for many years. During 2000 and 2001 each municipality held back their gross cost increases to two per cent or lower. So something has actually happened in the municipalities.

Whether this development is sustainable is naturally an empirical question, but it is also possible to speculate about the future. The financial improvement that has occurred has not altered the fact that the municipalities are vulnerable. New job losses, resulting in population reduction, and correction or lack of correction of the equalisation system, threaten future financial development. It is important in this case that the gross cost increases for the municipalities studied were generally held back more in 2000 than in 2001. From an operational point of view, development does not seem to be sustainable if one listens to the employees who work close to core operations. However, some of those interviewed stated that the consequences for operations were insignificant.

How institutions are changed – an attempt at theory development

Based on the studies carried out it is difficult to express an opinion about the sustainability of the changes and thereby if there has been an institutional change or not. Previous research with an institutional perspective has proven the importance of well-developed co-operation in order to achieve favourable efficiency developments. Well-developed co-operation creates trusting relationships within an organisation and provides the conditions to achieve successive changes in activities and organisation. The studies illustrate the importance of co-operation. It is through developing new ways of co-operating and finding new constellations for co-operation that change can be achieved. The new co-operation is of instrumental value, and actually promotes action for change. The instrumental value affects attitudes about justice. Justice of a more far-reaching nature can be considered as a ceremonial value, and through the new co-operation the ceremonial value is exposed to competition. The meaning of, and the requirements for, justice are postponed as a result of new co-operation being developed and established.
Co-operation occurs between individuals in an organisation and new working methods originate in individuals’ will and ability to act in such a way that new forms of co-operation are created. The studies show that the important qualities for key actors are the ability to interpret the conditions and regulations that exist in the organisation in a relevant manner, and based upon relevant interpretation, the ability to challenge the institutional arrangement and the parts of the arrangement that inhibit change. It is important to point out that the ability to interpret an institutional arrangement in a relevant manner can be more or less good. A failure in interpreting can quite simply be explained by the conditions and regulations being so unclear that they are impossible to understand. In such a situation it is difficult to achieve change. An important task for the individual to achieve change is also to develop new explanations for the organisation and its conditions. Using the insurmountable obstacle as an explanation to all that is wrong is replaced by a more optimistic view of the opportunities of development and change. The effect of developing new explanations is that current conditions and explanations receive competition. In doing so, change can be achieved. It is obvious that the way in which key actors, the opinion makers within an organisation, narrate about the organisation and activities has importance for the conditions for change.

If the new co-operation and the new explanations are to be effective, however, support for the interpretation of the situation is required from outside. The situation becomes easier if somebody else also draws attention to the lack of efficiency and the need for change. It is important to be able to refer to an external party. It is well known that crying wolf, a danger warning or shocking event are important for achieving change and these studies show evidence of this phenomenon. One example of a shocking event is that fully habitable housing is being demolished. If this kind of action is being taken there must be something seriously wrong. One aspect in this respect, however, is how sustainable the effect is. There is no evidence that referring to what could possibly happen if the situation doesn’t change is of importance over a longer perspective.

The study, in the light of previous studies raises many questions for continued research. One question is the relationship between the instrumental and ceremonial values. When does an instrumental value become a ceremonial or different expression; when does an institution become a burden for the organisation by being an obstacle for change and promoting ineffective action? The new co-operation has been described as a key for development and the following questions arise; how sustainable is this favourable co-operation and when do new groupings
become a problem? The studies also show the major importance of the individual as a challenger of current conceptions. The study confirms the starting point about the importance of individuals in achieving change, but deeper studies are needed for how the interplay between the institutional arrangement and the individual is expressed.
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