Policy instruments and trade-offs in central-local governance:

A Comparative Analysis of Scandinavian Introduction Programmes for Newly Arrived Refugees

Vilde Hernes
PhD Candidate, Department of Political Science, University of Oslo

vilde.hernes@stv.uio.no

ABSTRACT

Civic integration through national introduction programs for newly arrived refugees is an important element in Scandinavian integration policies. By adapting Christopher Hoods' classical NATO-framework for policy instruments to the relation of central-local governance, this paper presents a systematic, comparative analysis of the central policies for introduction programs for newly arrived refugees in Norway, Denmark and Sweden. The analysis presents both similarities and the diversity of the policy instruments the central government can use towards municipalities, in their common goal to promote and enable civic and labour market integration. The empirical analysis is based on document analysis of integration laws and formal policy documents, and interviews with both central and municipal actors in all three countries. In the Scandinavian integration policies, the central government depend upon municipal action and implementation to reach national goals. Consequently, the combination of policy instruments applied by the central government to steer or influence municipal behaviour can be decisive. The paper has two goals; firstly, to contribute to the debate concerning the convergence of European integration policies by discussing the variation in, and implication of, different combinations of policy instruments; secondly, to evaluate the suitability of the NATO-framework for cross-country analysis. In multi-level governance it is important to study policy instruments within each category, but also conduct a more holistic analysis of the combination of instruments within the policy field. The latter can be particularly relevant for integration policies often characterized as wicked issues, crossing both vertical and horizontal levels of government.
INTRODUCTION

‘Policy instruments’ (or ‘policy tools’) is a generic term that encompasses the many techniques the governments have at their disposal to implement public policy objectives (Howlett, 1991, p. 2). The literature on policy instruments deals primarily with the interface between government and society (Hood & Margetts, 2007, p. 15; Vabo & Røiseland, 2012, p. 936). However, for policy fields characterized as wicked issues, crossing horizontal and vertical lines of responsibility, the policy instruments used within different levels of government can be decisive for policy outcomes. In most western democracies, local government has become a major political actor in the formulation and implementation of various welfare policies (Hansen & Klausen, 2002, p. 47). Kjellberg (1995, p. 49) called this an integrated model between the central and local government, where the municipalities are (partly) responsible for the implementation and achievement of national goals. In such a multi-level and “wicked” environment, the policy instruments the central government have at disposal to affect and control municipal behavior may be decisive for achieving national goals.

This paper adapts the NATO framework for policy instruments, introduced by Christopher Hood in 1983, to the intra-governmental interface between the central and the local government. By doing so, it aims at contributing to three calls identified in the existing literature on policy instruments. Firstly, earlier research on policy instruments has encouraged to bridge the discourse of meta-governance to the classical literature on governmental policy instruments (Vabo & Røiseland, 2012, p. 944). By adapting the framework to the central-local governmental relationship, the paper expands the scope of the framework from the original interface of government-civil society, to an intra-governmental interface. Secondly, standing literature on policy instruments has called for more comparative cross-national research (Howlett, 1991, p. 16; Vabo & Røiseland, 2012, p. 944). The adapted framework is explored through a comparative analysis of the introduction programs for newly arrived refugees in Norway, Denmark and Sweden. The empirical analysis focus on the main differences in central use of policy instruments towards municipalities for the Scandinavian introduction programs for newly arrived refugees. Thirdly, May (2012, p. 9) has problematized that little emphasis have been directed at discussing the trade-offs between alternative (combinations of) policy instruments. Based on the empirical analysis, the paper will identify and discuss trade-offs both within each category of policy instruments, and trade-offs across different categories.

Based on the above, the research question under scrutiny is two-folded:

1) Does the adapted NATO framework for the central-local interface function as a suitable tool for comparative analysis?
2) What trade-offs can be identified between alternative policy instruments, both within and across each NATO-category?

The trade-offs (or dilemmas) refer to the different considerations or values policy makers have to evaluate and prioritize between when choosing one instrument (or combination of instruments) over another.

In addition to contributing to the literature on policy instruments, the empirical analysis of Scandinavian integration policies also addresses a knowledge-gap in the literature on refugee integration. Literature on refugee integration is, as the literature on policy instruments, largely concentrated on governmental instruments directed at the refugees, e.g. policies regulating refugees’
rights, restrictions and obligations (for examples, see Bengtsson, Borevi, & Strömgren, 2007; Brochmann, Hagelund, Borevi, Jønsson, & Petersen, 2012; Goodman, 2010; Joppke, 2007; Valenta & Bunar, 2010). However, the intra-governmental steering of the policy field may also affect the refugee’s rights. For example, a refugee's individual right to an introduction program, gives the public sector an obligation to provide this service. The way the service is organized within the public sector, e.g. at the local or central level, is not necessarily irrelevant to the refugee.

Wicked issues in central-local governance are challenging, and to tackle the complexity of comparing a wicked policy field across countries, a systematic analytic framework is necessary. The first section presents a brief introduction to the NATO-framework, and the adjustments needed to adapt this classical framework to the “new” interface for central-local relations. After describing the data and methods for the empirical analysis of the Scandinavian introduction programs, the comparative analysis examine each category of the policy instruments individually, identifying and discussing subcategories and trade-offs. Subsequently follows a discussion on dilemmas across categories, before the main empirical differences and generic dilemmas are summarized. Lastly, the paper debates the adapted framework’s challenges and possibilities. The conclusion encourages further development of the framework, and identifies new questions for future research on policy instruments in the central-local interface.

**ANALYTIC FRAMEWORK**

Hansen and Klausen (2002, pp. 49-52) describes the municipalities’ functionality both as a local democracy or community, and as service providers for the central government. This paper focuses on the municipalities’ role as a service provider of national policies. In the integrated relationship between the central and local government to reach national goals (Kjellberg, 1995, p. 49), “wicked issues” raise particular complex challenges when attempting to design a “right” combination of policy instruments. ‘Wicked issues’ as a concept was introduced in the 1970s by Rittel and Weber, where they argued that societal problems differentiates from more tangible or “tame” problems (e.g. an equation) with clear-cut problem definitions and solutions (Rittel & Webber, 1973). Wicked problems are policy issues that cut across policy areas, departmental lines, and levels of management, which adds to the complexity when choosing policy instruments. Research on policy instruments combines questions concerning the conversion of policy intentions into administrative actions (de Bruijn & Hufen, 1998, p. 17). According to an instrumental view on policy design, the central government can construct a combination of policy instruments (directed at relevant actors) that is assumed to have the highest probability of reaching national goals. However, the challenge with wicked problems is that the solutions are seldom clear. Unclear solutions enable multiple combinations of policy instruments, more or less effective, to solve to similar challenges.

**Different Typologies of policy instruments – and a “new” adapted version**

Over the years, many typologies of instruments have been designed (de Bruijn & Hufen, 1998, p. 17; Hood & Margetts, 2007; Lowi, 1972; Salamon, 2002; Vedung, 2011). Howlett (1991, p. 8) calls Christopher Hoods NATO typology from 1983 “one of the major contributions on policy instrument typologies”, and the typology is further developed in the book «The Tools of Government in the Digital Age» from 2007. NATO is an acronym for a categorization the resources available to the central government, and stands for nodality, authority, treasury and organization. Nodality represent
how the government can use information as a tool in their possession as a central policy actor; authority refers to their legal powers; treasury focus on financial instruments; and organization to the formal organization available to the government (Hood & Margetts, 2007).

The existing literature on governmental tools deals primarily with the interface between government and society (Vabo & Røiseland, 2012, p. 936). Hood and Margetts (2007, pp. 14-16) explicitly state in their book that their focus is only [authors’ emphasis] at the interface between government and society, and that the book says nothing about the tools used within [authors’ emphasis] government. Secondly, the book views government as a totality, stressing that this is a simplification, as the goal is to identify tools that are generic to government across levels and national borders. An adaption of the NATO typology to analyze the tools the central government has available to influence municipal behavior to reach national objectives, broadens the scope of the typology. Vabo and Røiseland (2012, p. 944) had a similar goal in their paper “Conceptualizing the Tools of Government in Urban Network Governance”: They assessed empirically wether the typology would work in network settings. As the analysis showed the suitability of the NATO typology in a new setting, Vabo and Røiseland (2012, p. 944) argued for broadening the scope of the classical literature on governmental policy instruments.

The NATO typology is suitable to make sense of the complexity of contemporary policymaking by making comparisons (Hood & Margetts, 2007, p. 126). Within the context of multi-level governance, the framework can be used to compare tools in various policy fields and governments, both in time and across national borders. The latter, comparing across national borders, is especially relevant according to Howlett (1991, p. 1), because the existing models of policy instruments have national constraints as they identify different variables at work in different countries. Therefore, within the literature of policy instruments, there has been called upon more comparative cross-national research (Howlett, 1991, p. 16; Vabo & Røiseland, 2012, p. 944).

Throughout the empirical analysis, the goal has been to 1) identify sub-instruments within each main category to the central-local interface, and 2) identify dilemmas or trade-offs when choosing between different instruments, both within each category (e.g. different financial instruments), and across categories (e.g. regulatory versus informational instruments).

**METHODS AND DATA**

Scandinavian refugee integration, through a comparison of the introduction programs for newly arrived refugees, is a good case to systematically compare the usage of policy instruments for three reasons: Firstly, in a European perspective, the Scandinavian countries have extensive publicly funded integrations programs as part of the settlement process (Brochmann et al., 2012, p. 246). They all share the same goals; self-sufficiency through fast transition to education and/or work, and social integration to society (Hernes & Trondstad, 2014). With the same overall goals (though operationalized slightly differently), Scandinavia constitutes an interesting case for comparing the variation of central policy instruments to reach similar goal. Secondly, another common Scandinavian feature is that the municipalities plays an important part in the implementation of the introduction program (Mestheneos & Ioannidi, 2002, p. 307). The municipalities are not just obliged to get the refugees housing, they also need an apparatus for language courses, social studies, and other integrative activities. Thirdly, the Scandinavian countries have structural and social similarities, including comprehensive welfare states with strong egalitarian ambitions and a relatively
homogenous populations (Bengtsson et al., 2007, p. 119). The three countries are all unitary states; the municipalities have negatively delimited responsibility, meaning that they can carry out functions as long as other authorities do not regulate these functions (Andersen, 2010, pp. 47-48; Bäck & Johansson, 2010, p. 201; Fimreite & Tranvik, 2010, p. 166). These common features in the social and political structure, creates a suitable case for a Scandinavian empirical analysis (Brochmann et al., 2012, p. 259), and comparison of the central-local relationship.

The method and data used is document analysis of public legislation and formal documents related to the introduction program in Norway, Denmark and Sweden (see the appendix for list of legislative documents included in the analysis)\(^1\). Additionally, a literature review was carried out with attention to evaluations and research of the introduction programs in the three countries\(^2\). After the initial document analysis, seven representatives from the both the central level and the municipal organizations in all three countries were interviewed. The interviews were conducted to ensure that all relevant policy documents and legislation were included, and to clarify and supplement existing information obtained by the document analysis.

The paper’s empirical focus is the introduction programs for newly arrived refugees. Still, separating the introduction program from general integration and settlement policies is often hard, as these policy fields often are intertwined (Hernes & Trondstad, 2014, p. 33). Consequently, included in the analysis are only elements directly connected to the introduction program are, and information on integration and settlement policies necessary to understand relevant differences between the three countries’ instruments.

**ANALYSIS**

Introduction programs in Scandinavia aim at helping participants find work, gain an education, and in the longer term, achieve economic independence. The program consists of three main components; language training, social studies and education- and/or employment-related measures (Hernes & Trondstad, 2014, p. 16). Denmark was the first country to formalize the right to an introduction program, with the Integration Act from of 1999. Norway followed with the Introduction Act in 2004. In Sweden, introduction programs have been an element at the local level since the beginning of the 1990s, but it had been voluntary for the municipalities to provide such programs, and the program content was not centrally regulated. In 2010, the Establishment Act was implemented, formalizing the target group’s right to an introduction program and a new organization of responsibilities between the local and central government (Hernes & Trondstad, 2014, p. 28). The analysis of the policy instruments below is a description of the status quo for the introduction programs as of November 2014, and does not portray the development of policy instruments towards the municipalities over time.

**Organization – organizational instruments**

<table>
<thead>
<tr>
<th>Organizational instruments</th>
<th>Norway</th>
<th>Sweden</th>
<th>Denmark</th>
</tr>
</thead>
</table>

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\(^1\) The empirical analysis is based on a study conducted on assignment from The Directorate of Integration and Diversity. The assignment resulted in a report (Hernes and Tronstad 2014), finalized in December 2014; link: [http://www.imdi.no/Documents/Rapporter/2014/NIBR-rapport_Komparativ_analyse_av_introprogram_Norge-Sverige_Danmark.pdf](http://www.imdi.no/Documents/Rapporter/2014/NIBR-rapport_Komparativ_analyse_av_introprogram_Norge-Sverige_Danmark.pdf)

\(^2\) For a thorough description of the literature review, see Hernes and Tronstad (2014)
<table>
<thead>
<tr>
<th><strong>Program responsibility</strong></th>
<th>Municipal</th>
<th>Divided between central and municipal</th>
<th>Municipal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Horizontal allocation within the public sector</strong></td>
<td>Specialization with one responsible ministry/agency</td>
<td>Mainstreaming with one responsible ministry/agency</td>
<td>Mix between specialization and mainstreaming. One ministry have the overall responsibility, but different elements of the program is delegated to different ministries/agencies</td>
</tr>
<tr>
<td><strong>Cooperation with non-public actors</strong></td>
<td>Agreements of intent</td>
<td>Formalized role thorough legislation</td>
<td>Formalized partnerships and agreements of intent</td>
</tr>
</tbody>
</table>

**Vertical delegation of program responsibility**

Disparities in vertical organizational structure relate to which administrative level of government that has the delegated responsibility for a given task. Is the responsibility for a service at the central, regional or municipal level? Alternatively, is the responsibility divided between different levels of government?

In Norway and Denmark, the overall responsibility for the introduction program lies with the municipality. This does not imply that other local, regional or national actors cannot, or shouldn’t be, involved in providing different elements of the program, but the municipality has the overall responsibility for the provision and coordination of services. The Swedish Establishment Reform of 2010 launched an alternative allocation of responsibility; the central Employment Agency now has the overall responsibility for the program, including responsibility for work-related schemes and coordinating involved actors; the Swedish municipalities kept their responsibility to provide language training and social studies. Consequently, the responsibility for different elements of the Swedish program is divided vertically between the central and local level.

One dilemma when considering central versus local allocation of responsibility, is that of national standardization versus local adaption of service provision. Before the Establishment Reform in 2010, the Swedish municipalities had the responsibility for integrative activities, though the municipalities ware not obliged to provide introduction programs. One reason for shifting the responsibility to the central level was to ensure a coherent and standardized program, independent of which municipality the participant settled in (kilde). In such a way, central responsibility could be a way to ensure national standard and equality of services. On the other hand, the allocation of the responsibility to a central agency could aggravate the possibility for adaption of the program to local conditions (kilde). Consequently, a tension between equal program quality and content across municipalities (leaning towards a central responsibility), and local adaption (leaning towards municipal responsibility), could be a dilemma when considering vertical delegation of responsibilities.

**Horizontal organizational structure**

Horizontal differences can be separated into two aspects: 1) horizontal delegation of responsibilities within the central government, and 2) cooperation with external actors.

**Horizontal allocation within public sector**

Integration is a policy field crossing classic sectorial structures, e.g. education, employment, health, housing etc. When dealing with such wicked issues, one question is how to delegate and/or
coordinate and integrate measures from different public sectors to a coherent provided service for the target group. The question incorporates two dilemmas, one concerning the number of actors, and the other a dilemma between specializing versus mainstreaming of the different elements of the introduction program.

First, talking the dilemma regarding number of actors; the analysis shows a disparity between Norway and Denmark. In Norway, the Ministry of Children, Equality and Social Inclusion (Norwegian acronym “BLD”) and their underlying directorate, The Directorate of Integration and Diversity (Norwegian acronym “IMDi”), have the overall responsibility for the introduction program. In Denmark, the Ministry of Children, Gender Equality, Integration and Social Affairs [Danish acronym “MBLIS”], also has the overall responsibility for the program (Hernes & Trondstad, 2014, pp. 36-38). However, the Danish horizontal structure separates from the Norwegian because the responsibility for specific elements of the introduction program is explicitly delegated to other respective ministries, e.g. employment-related measures to the Ministry of Employment, and language training to the Ministry of Education. By explicitly having responsibility for these particular program elements, the sectorial obligation to contribute to the program is formalized, thereby dividing the responsibility for the introduction program between several central actors. In Norway, the intent is not very different from the Danish one; relevant sector authorities should contribute with program elements in their respective field, but the legislation does not formalize this responsibility. The Danish solution, explicitly including all relevant actors by stating their responsibility for the program, may ensure that the sectorial expertise and measures are effectively included in the program. On the other hand, a high number of responsible actors at the central level may impose a high degree of complexity, and may result in challenges as overlapping or gapping distribution of responsibilities, blame avoidance, accountability problems etc.

Secondly, horizontal delegation of responsibilities may also be a question about specialization or mainstreaming. For this purpose, specialization is defined as an organizational focus on the specific service or target group. One example is the Norwegian directorate IMDi: IMDi has a specialized focus on integration with the purpose of ensuring a more holistic approach, giving special attention to the challenges the target group and introduction program face regarding e.g. employment, education, health, etc. The opposite structure would be to mainstream the service for the target group into regular service provision, as done in Sweden. The central responsibility for integration of newly arrived refugees in Sweden went from a specialized Ministry for Integration and Equality (abolished in 2007), and is in 2014 under the supervision of the Ministry of Employment. One reason for the shift from specialized to mainstreamed attention was to increase the focus on employment measures in the program (kilde). Denmark operates with a mixed model of specialization and mainstreaming as described above.

The central organizational structure may influence the central-local relationship in two ways. Firstly, addressing the numbers of actors at the central level; a high number of responsible ministries or central agencies within one specific field may increase the complexity in the implementation of the policies (Hogwood and Gunn, 1984, sited in Hill & Hupe, 2009, p. 50), e.g. applying for grants and seeking guidance. In the Danish case, the municipalities would have to relate to at least three ministries and three central agencies when working with the introduction program. In Norway, IMDi is the addressee of such municipal contact. Secondly, the specialization or mainstreaming of the central responsibility may influence the local organizational structure and focus of the service.
Cooperation with non-public actors

A second aspect of horizontal organizational structure is how, or if, external actors are involved in the service provision. The analysis shows that all three countries cooperate with external actors, but the degree of formalized cooperation varies. Cooperation with external actors can stretch from informal intentions of cooperation, to giving external actors a formal role in the service provision through legislation. Sweden has an example of the latter; in Sweden, non-public organizations, both private and non-profit, can apply to become ‘etableringslots’. ‘Etableringslots’ are supposed to function as a mentor and link between the participant and employment market. The Employment Agency approves organizations to be etableringslots, and the organizations get payment for the time spent with the participant, and a bonus if the participant gets employment³.

The Swedish case illustrate how the central government uses organization of responsibility as a policy tool to actively involve non-public actors, and in some way, delegated elements of the responsibility from the local or central governmental level to external actors. In Denmark and Norway, the municipalities have the overall responsibility for all aspects of the program, and the legislation allows the municipalities to delegate responsibilities to external actors at the local level. At the central level, the responsible ministries and agencies do have examples of partnerships (Denmark) and agreements of intent (Norway) with external actors, but less formalized than the Swedish model where the inclusion of external actors is embedded in the legislation.

Authority – regulatory instruments

<table>
<thead>
<tr>
<th>Regulatory instruments</th>
<th>Norway</th>
<th>Sweden</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed legislation of program content</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Central audits of program content</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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</tbody>
</table>

Detailed legislation of program content

The degree of specificity in the legislation regulating municipal services may vary between stating overall goals, to detailed requirements regarding goals, content and processes. In Norway, the legislation regulating the municipalities’ obligation to provide a program is limited to stating the overall goals, main components (language training, social studies, and work-related measures), deadlines and duration of the program. Guidelines with more detailed interpretations of the legislation exist, but these guidelines are not obligatory for the municipalities. Contrary, The Danish Integration Act provides detailed requirements for program components and processes, with clear obligations for both the participants and the municipality. Examples of detailed legislation are municipal obligation to provide health checks to all participants, specific content regulation of integration plans for families, and specified employment and education measures for participants of certain ages. In Norway, such elements are often an important part of the introduction program, but the municipality decides which concrete measures to include for each individual, along with local capacity to provide such measures.

³ Due to lacking results revealed in a central audit (Riksrevisionen, 2014b), in the 2015 Budget, the Government proposed that the arrangement of etableringslots would be dismantled (Regjeringen, 2014, p. 35).
The consequences of a detailed legislation touches upon a well-known dilemma in central-local relations: national standardization versus local adaption. Legislation with a low degree of specificity, as the Norwegian case, gives the municipality the autonomy to tailor the introduction program to local conditions and the individual participant. Detailed legislative requirements, as in the Danish example, gives the municipalities less autonomy to tailor the programs, but provides the municipalities with clear guidelines and standards for the program. A more detailed regulation of the program content may ensure more national cohesion. However, such standardization may only be achieved at the expense of the local autonomy to adapt the program content to local conditions.

Central audits

Central audit is another way the central government can control local implementation. Norway has introduced central audits and requirements for municipal procedures for internal audit specifically for the introduction program. The Norwegian County Governors are responsible for the execution of the audit, and report to IMDi and BLD (IMDi, 2013). In Sweden and Denmark, the sectorial supervisory agencies under the respective ministries may execute audits of different elements of the programs, but the legislation does not specify particular requirements for internal or central audits as in the Norwegian case.

Audits are a type of tool for the central government to control municipal compliance with the legislative requirements. However, an audit can have a two-faced agenda as it may function both as an instruments of control and as a process of guidance and learning (Helgøy & Serigstad, 2004, pp. 26-28). Most audits will have elements of the two. Still, the inclusion of sanctions (e.g. financial fines) with non-compliance will strongly affect the control/compliance aspect in of the audits. The Norwegian central audits do not operate with sanctions towards non-compliant municipalities, but the intention is that the audits should have a disciplining affect and provide valuable information for further policy development.

Treasury – financial instruments

<table>
<thead>
<tr>
<th>Financial instruments</th>
<th>Norway</th>
<th>Sweden</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic grant per capita</td>
<td>Yearly payment over 5 years.</td>
<td>Monthly payment over 2 years.</td>
<td>Monthly payment over 3 years.</td>
</tr>
<tr>
<td>Performance-based grants</td>
<td>No</td>
<td>Grants for relatively high settlement</td>
<td>Grants for transition to work/education and/or passed language test for the participants.</td>
</tr>
<tr>
<td>Reimbursements by application</td>
<td>Set grants per capita for language training and social studies</td>
<td>75 % reimbursement for extraordinary cost for vulnerable groups.</td>
<td>50 % reimbursement for specific program measures and extraordinary expenses.</td>
</tr>
</tbody>
</table>

First, a quick notion of the funding of the programs and their relation to the national settlements models: In Norway and Sweden, financial assistance for settlement and integration is intertwined, and government grants are supposed to cover local authorities’ expenditure in both areas. Centrally organized settlement is a voluntary municipal responsibility, as the municipalities enter voluntary agreements with the state. Consequently, the financial central grants for settlement and integration
function as an incentive for municipal settlement, and not solely as compensation for expenses as the case is for Denmark where settlement is centrally steered.

The analysis uncovers that the Scandinavian countries use different financial grants to fund the municipal responsibilities in the introduction programs. The size, disbursement and length of the different grants vary between the countries, and the same type of grant is often meant to cover different elements of the program. Consequently, a direct comparison of the total amount paid to the municipalities is not an easy exercise, and not relevant for the purpose of this paper. On the other hand, different combinations of financial instruments raise interesting dilemmas concerning administrative complexity, related to both the number of instruments and documentation requirements.

Norway mainly uses a basic grant per capita meant to cover all expenses. The exception is set grants for language training and social studies received by a simple application. Norway can be characterized has having a low degree of complexity. The basic grant is the main financial instrument, and the municipalities do not have to document or report their spending of the grant. The result is low administrative costs at both the municipal and central level. Sweden and Denmark combine several financial instruments, including basic grant per capita, performance-based grants and reimbursements by application. Along with requirements for documentation and reporting (as a larger part of the financial grants are based on performance-based grants or reimbursements of expenses by application), the financial models are more complex, increasing administrative costs at both the municipal and central level. On the other hand, the Danish and Swedish models might imply a more fair distribution of actual expenses than the Norwegian model. In Norway, the basic grants are based on stipulations of the average municipal costs, and do not necessarily reflect the actual expenses and needs for the participants and municipalities. The latter may affect the municipalities both negatively and positively; negatively if the municipalities have a large amount of refugees requiring over average measures to be self-sufficient over time; positively if the municipality organize the program effectively and have relatively “easy” participants to integrate, which may result in a financial surplus. Again, a trade-off emerges, between the complexities of the system versus a fair distribution of funding for actual expenses.

The degree of complexity also touches upon a question of central coercion or control. When channeling grants solely through basic grants without documentation or reporting requirements, similar to the Norwegian model, the municipality has a high degree of autonomy in financial questions. On the other hand, instruments as reimbursements by application and documented performance-based grants imply a higher degree of central control, and a possibility to steer the municipal behavior in a desired direction. In Denmark, a large part of the total grants is reimbursement directly linked to specific work- and education-related measures. This will naturally affect the municipal design of the program, assuming that the municipalities will prioritize program elements where they get financial support over alternative kinds of measures.
Nodality – informational instruments

<table>
<thead>
<tr>
<th>Financial instruments</th>
<th>Norway</th>
<th>Sweden</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central responsibility for development and dissemination of knowledge</td>
<td>Yes, IMDi</td>
<td>Not explicitly for the program, but Ministry of Employment and The Employment Agency have the overall responsibility.</td>
<td>Yes, divided by MBLIS, Ministry of Education, and 3 central agencies.</td>
</tr>
<tr>
<td>Webpage directed at the municipalities</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Central initiated knowledge networks</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Municipal benchmarking analysis</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Central responsibility for development and dissemination of knowledge

In Norway, the establishment of IMDi in 2006 involved giving a central agency the explicit responsibility for development and dissemination of knowledge on integration and the introduction program. In Denmark, the same responsibility is divided between several actors, both at the ministerial level and between central agencies. In Sweden, after the abolishment of The Integration Agency (Integrationsverket) in 2007, no central actors have had the explicit responsibility for development and dissemination of knowledge at the central level, but the Ministry of Employment and the Employment Agency now have the general sector responsibility for this field.

All countries have centrally managed webpages for dissemination of knowledge. Information includes guidelines and handbooks, distribution of good examples of local solutions and best practice, and information about regulations and obligations for the municipalities (and the participants).

Central knowledge networks

In Denmark, a central agency, the National Board of Social Services (Socialstyrelsen), cooperate with a consultancy agency (LG Insight) and a voluntary organization (Dansk Flyktningehjælp) for formalized integration networks for both practitioners and leaders in the municipalities. The networks are regionally based and have three yearly conferences. Sweden and Norway does not have formalized national networks for the municipalities, though all countries have different activities directed at practitioners, as courses and conferences.

Analyses

In all three countries, the central state monitor results of the introduction program regularly. Denmark and Norway have also executed statistical benchmarking analyses, where the municipalities

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4 Imdi.no, Informationsverige.se, Migrationsverket.se, Integrationsviden.dk
5 http://www.integrationsviden.dk/netvaerk/leder-og-praktikernetvaerk-om-integration#.VQLIQHbKyic
are ranked according to results, controlled for variables of human capital of the participants and structural municipal variables (Arendt, Jakobsen, Kiil, & Kloppenborg, 2014; Enes, 2014; Lillegård & Seiersted, 2013). Benchmarking analyses is a method to use information to create an element of competition between the municipalities, and identify municipalities that have relatively high or low results for further measures and research.

Dilemmas across categories

Dilemmas when choosing between alternative policy instruments are not just apparent within each category, but also across categories. A thorough discussion on dilemmas across categories could be subject to an entire book, and would require extensive empirical analysis of different policy fields and cross-national comparisons. Still, the following discussion hopes to illustrate some implications of how alternative instruments may affect each other. The instrument ‘detail of legislation’ presented above will be used to discuss a regulatory instrument’s interface with informational, organizational and financial instruments, and illustrate how one instrument may affect, or be affected by, other combinations of instruments.

Firstly, looking into the regulatory-informational interface, the Danish example of detailed legislation regulating the program content states clear requirements for the municipalities’ service provision. As discussed earlier, clear requirements may make it easier for the municipalities to design standardized program content, but it also diminishes the local autonomy or leeway to customize innovative programs tailored to individual and local conditions. On the other hand, a low degree of detailed legislation, providing the municipalities with high degree of local autonomy, necessitates a high degree of knowledge and expertise at the municipal level to design effective and high quality introduction programs. Great responsibility requires great knowledge. Sufficient knowledge could impose a challenge, especially for small municipalities with few professional bureaucrats working with the introduction programs. In one of the Norwegian interviews, the interviewee explained that many municipalities wanted clearer requirements for the program content, since the task of “figuring it out by on their own” was too great of a challenge. Without the necessary help and information to carry out such a comprehensive task, the benefits of the local leeway may diminish. To prevent that each municipality reinvents the wheel, designing programs from scratch, the central government could actively provide information on best practice and alternative measures that the municipalities may include in the program. Hence, a low degree of detailed legislation (regulatory instrument) may lead to a necessary enhancement on informational instruments, to fill a knowledge gap.

Secondly, detailed legislation might also affect the organizational structure, e.g. the horizontal cooperation between different governmental actors. In Denmark, the legislation specifies a number of employments measures as obligatory elements of the introduction program. These employment measures are normally part of measures under the responsibility of the Employment Office. Hence, a detailed legislation gives the responsible municipal body the authority to demand that other official actors, e.g. the Employment Office, provide the measures described in the legislation. In Norway, one municipal challenge has been to get the Employment Office to play an active role and provide concrete employment measures as part of the program, since no legal requirements “force” the Employment Agency to provide such services as part of the program. This illustrates how detailed legislation may indirectly function as an organizational instrument, regulating the responsibilities of different public actors to contribute to the service provision.
A third aspect reflects how the combination of regulatory and financial instruments may be depended on each other. In Denmark, the detailed legislation regulating specific employment measures, is also reflected in the financial instruments, as expenses related to employment measures are subject to a 50 percent reimbursement by application. The connection between the regulatory and financial instruments implies that if Sweden or Norway looks to the Danish example of a more detailed legislation on program content they would also have to evaluate their existing financial instruments, and how disparities in the combination of instruments may produce different consequences.

**SUMMARIZING THE MAIN FINDINGS**

**Same goals – three variations of instrument combinations**

Starting with Sweden, the shift in organizational responsibility from the municipal to central level with the Establishment reform in 2010, and the stronger formalized role for external actors with Etableringslots, gives Swedish municipalities considerably less responsibility for the introduction program than their Scandinavian neighbors. Less municipal responsibility diminishes the central government’s need to control and affect the municipalities, which is apparent in the less detailed legislation of the program content and limited use of extensive informational instruments.

Both Denmark and Norway delegate the responsibility for the programs to the municipal level, but the combination of other instruments vary. Denmark operates with a higher degree of central steering, through both regulatory instruments, by detailed legislation controlling program content, and financial instruments, where the grants and subsidies are subject to document- and reporting requirements and related to the concrete measures. Norway has a model where the municipalities have more autonomy both regarding regulatory and financial instruments. Low level of detailed legislative requirements, and low degree complexity and control regarding financial instruments, gives Norwegian municipalities greater autonomy, and consequently, the central government less control of municipal implementation. This absence of other instruments of central control of the program content and financial prioritization may shed light on the introduction of central audits as a regulatory instrument of control in the Norwegian model.

Regarding informational instruments, Denmark also separates from Norway (and Sweden), both with centrally steered knowledge networks and a longer tradition of benchmarking municipal results. Denmark started benchmarking municipal results already in 2004 (Husted & Heinesen, 2004); Norway only recently followed the Danish example in 2013 (Lillegård & Seiersted, 2013).

**Main trade-offs or dilemmas in central-local steering**

The empirical analysis identified several trade-offs and dilemmas, e.g.; the number of formally involved actors, both horizontally and vertically, raising the dilemma of formally including and making relevant actors accountable for the service delivery versus the risk of dissolving responsibility and accountability; mainstreaming versus specialization of central responsibilities; multiple financial instruments to ensure a fair distribution versus general grants with low administrative costs and greater municipal autonomy.
One repeated dilemma across the different categories, however, was the question of national standardization and control versus local adaption and autonomy. The balance between national and local considerations is an eternal dilemma in central-local relations (Kjellberg, 1995, p. 48), where national considerations of standardization and control may collide with the need to give local governments the necessary leeway and autonomy to adapt national policies to local conditions (Kjellberg & Hansen, 1979, pp. 15-16). As demonstrated, the central government faces the dilemma of how much leeway for discretion they should grant the local governments. With detailed regulation at the top, major differences between municipal conditions, as the employment market, housing, administrative expertise, etc. may not be easy to take into account. In many cases, direct use of power may reduce the chance of a desired outcome. Sufficient room for self-organization is therefore pivotal (Vabo, 2015), but implies giving up, at least to some degree, the possibility to control and steer municipal behavior.

AN ADAPTED NATO-FRAMEWORK - A SUITABLE ANALYTIC TOOL FOR COMPARATIVE ANALYSIS?

Returning to the research question, does the adapted NATO framework for the central-local interface function as a suitable tool for comparative analysis? In addition, does the framework function to identity trade-offs and dilemmas between alternative policy instruments, both within and across each NATO-category?

The adapted version of the NATO-framework has proven to be effective to compare systematically policy instruments the central government uses towards municipalities in the empirical analysis of Scandinavian introduction programs. Through the analysis, generic subcategories within each main category has been identified and adapted to fit the central-local interface, creating a systematic foundation to discuss trade-offs and dilemmas both within and across categories. Still, some challenges have surfaced that deserves a discussion; the classification of instruments, the identification of trade-offs and dilemmas, and the adapted focus for organizational instruments to the central-local interface.

Classifying instruments to the four categories

Classifying instruments to different categories in the empirical analysis did not impose a big challenge, as most of the instruments clearly suit a certain category. However, the question of under which category an instrument should be placed may, and did, arise. In the analysis, central audits were classified under regulatory instruments, as the function is interpreted to be an element of central control embedded in the legislation. However, the audits are not accompanied by formal sanctions (e.g. financial fines when non-compliant), downplaying the ‘hard’ controlling element of the instrument. Instead, the function of the central audits in Norway also has a strong informational purpose; information gathering for the central authorities and guidance and learning for the municipalities. With such an “interpretation” of the instrument’s function, one might ask if the classification of central audits may be better suited under informational instruments. Another example of ambiguous classification is central guidelines complementing formal legislation. Guidelines are not legally binding for the municipalities, but if involved actors always follow such
guidelines due to national norms, there might be a question if such guidelines should be classified under regulatory or informational instruments. Such norms may differ both across national borders, and possibly also between different sectors or policy fields. This could propose an analytical challenge; if the apparently same instruments (e.g. central audits or guidelines) have different functions due to contextual factors, the “same” type of instrument might not be directly comparable.

These two examples emphasizes the importance of not looking at instruments individually, without taking under consideration how the function may be shaped by the other instruments applied, and how national or sectorial norms and tradition may affect the interpretation of the tools within the given context. Classifying policy instruments is not a strictly technical exercise, but includes an interpretive element. Admitting that classifying instrument is an interpretive exercise emphasizes the necessity of being cautious when using comparative analyses for learning across national borders; by introducing one instruments from a different model, the function of the instrument, and thereby the desired effects, may differ considerably.

Identifying trade-offs and dilemmas

The empirical analysis illustrate that the adapted framework functions as a suitable tool to identify and discuss trade-offs and dilemmas, both within and across the main categories of instruments. However, the analysis did not reveal any specific dilemmas within the informational category. This does not imply that such dilemmas do not exist, but necessitates further analyses on possible dilemmas within the informational category. Likewise, additional analyses are required to explore other instruments and dilemmas not yet identified for all four categories, since this paper is limited to a comparison of policy instruments within one policy field across three countries.

New focus for organizational instruments for the central-local interface

The above analysis integrated what Hood and Margetts (2007, pp. 167-169) describe as the institution-as-tools approach to organizational instruments. This approach focuses on tools as different forms of organization available to government, e.g. ministerial departments, independent public authorities, contractors and public-private partnerships etc. The adapted NATO-framework integrates the institutions-as-tools approach with organizational instruments. The inclusion of this approach contradicts the way Hood and Margetts define organizational tools for the central-society interface. Due to the stated (and well-reasoned) simplification of handling government as a totality, Hood and Margetts (2007, pp. 167-169) argue that the institution-as-tools approach is the answer to a different question than the one they address in their book. This might be the case when looking at the central-society interface. However, when shifting the interface to intra-governmental relations, as is the objective of this paper, the vertical and horizontal organizational structure of responsibilities, and the possibility to design different structures, is an essential part of the central government’s toolkit when affecting and controlling municipal behavior. Through reorganization or enhanced focus of organizational resources within the policy field, the central government can alter the policy area and define relevant actors within the field.

As shown, the central government may (and actively do) use organizational structure as concrete tools that directly affect the municipalities as service providers, and different considerations and dilemmas follow the alternative choices the central government have at disposal. Simply put, the central government has the choice between doing all the work themselves, delegate parts of it to
other governmental levels vertically, or horizontally outsource parts of the service provision to external non-public actors. To contrast the Danish and Norwegian example of full municipal responsibility, one can look outside of Scandinavia to the Netherlands; Joppke (2007, p. 7) describes how the Dutch integration activities has been “farmed out to private organizations”, leaving no room for the municipalities as a service provider of introduction programs. Additionally, the way the central governments itself is organized horizontally within a policy field (e.g. specialization versus mainstreaming), is also an active choice that will affect other actors involved, including the municipalities. In Denmark and Sweden, a shift from a specialized to a more mainstreaming of sector responsibility has been a conscious and active political choice to affect the policy field and the municipalities role in the process (Hernes & Trondstad, 2014, p. 43).

Thus, when adapted to the central-local context, the distinction between institution-as-tools and institution-free approach to studying policy instruments, as Hoods and Margetts emphasize, is not clear. On the contrary, the intra-governmental structure is an important part of the organizational tools the central government has at disposal to affect municipal behavior. This conclusion is not a dismissal of Hood and Margetts’ argument of the institution-free approach for the government-society interface, but rather a natural consequence of the change in scope from instruments targeted at the civil society, to instruments targeted at the local government.

**Connecting the government-society interface with the central-local one?**

The aim for this analysis has not been to explain why the countries have developed and chosen different combinations of policy instruments. Still, a notion of the how policy instruments in the government-society interface (instruments directed at the program participants) may affect policy instruments in the central-local interface, is worth presenting. In literature on integration policies, Danish integration policies are often classified as ‘assimilationism’ (Brochmann et al., 2012, p. 259)+, including obligatory integration contracts, declarations of integration and active citizenship, language and social tests for requiring permanent residence, etc. (Goodman, 2010; Hernes & Trondstad, 2014). Policy instruments directed at society (program participants), and towards the municipalities as service providers, are naturally intertwined; strict requirements for newly arrived refugees to obtain financial support and permanent residence naturally implicates the “same” requirements for the municipality to provide these services. Hence, the degree of central instruments of control or obligations directed at the target group may have implications for the policy instruments directed at the municipalities as service providers. This interconnection is not an automatic linear relationship, but further investigation of how government-society policy instruments affect the policy instruments in the central-local interface, and vice versa, is important in further research on policy instruments design.

**Conclusion**

This paper argues that an adapted version of the NATO-framework of policy instruments to the central-local interface is a suitable analytic framework for cross-country comparison, as the framework enables a systematic classification of policy instruments. More importantly, it produces a good foundation to identify and discuss trade-offs and dilemmas when choosing between different instruments, both within and across categories. The objective has not been to finalize a complete framework for all policy instruments and trade-offs for the central-local interface; that requires more
extensive analysis covering multiple policy fields and countries. Nevertheless, the goal has been to evaluate the suitability of the an adapted version of an classical framework for policy instruments, and take one step forward in identifying and discussing the instruments and trade-offs the central government face when designing combinations of policy instruments. The first step has proven productive, consequently, further research and empirical analyses widening the scope of the frameworks suitability for other policy fields and countries is highly encouraged. Accordingly, the analysis supports Vabo and Røiseland (2012, p. 944) encouragement to build on classic literature on tools of government when studying alternative forms of governance.

As discussed briefly, policy instruments directed at the municipalities and policy instruments directed at civil society are closely intertwined. Thus, further research on how central-local policy instruments shape the service provision for the affected target group is particular interesting, and would be an important contribution both the literature on policy instruments, and empirically within the field of refugee integration.

The paper briefly discusses how the central policy instruments affect the municipal autonomy. A more detailed analysis on how different instruments affect this important value in intra-governmental steering will be relevant for further research, as it may be a decisive element for practitioners when evaluating the possibility of changing the combination of instruments in a policy field. One challenge when designing central policies is that the central government does not have absolute leeway to choose freely among different policy instruments, as many conditions may restrict the possibility to design new combinations. An interesting question is why different policy instruments are chosen or not; especially instruments that directly affect the question of local autonomy.

The question also touches upon a well-known dilemma in central-local relations, as to what function the municipalities have in an integrated model between the central and local government; local democracies and/or service providers (Hansen & Klausen, 2002, pp. 49-52). Both elements are still important justifications in favor of local government. However, with a growing responsibility for achievement and implementation of national goals, the integrated model challenges this perception, as the municipalities might be viewed more as straight forward service providers, than a source for democratic values (Fimreite & Lægreid, 2004, p. 189).

In the end, the goal of an adapted NATO-framework is to make sense of the complexity of contemporary policymaking by making comparisons (Hood & Margetts, 2007, p. 126). For integration policies, Bengtsson et al. (2007, p. 120) argue that comparison of Norway, Sweden and Denmark can produce a foundation of knowledge to discuss alternative solutions for further measures (and policy instruments) to improve integration policies for refugees. Nonetheless, integration is a process affected by both the institutional context and the personal characteristics of the refugees (Valtonen, 2004). National, regional and local context may influence the effects and consequences of the different measures (Smyth, Stewart, & Da Lomba, 2010, p. 412). These considerations support the argument for further development of the adapted NATO-framework as an analytic tool for cross-country comparison. The first step taken in this paper demonstrates the framework’s potential for a systematic comparison of instruments and trade-offs both within and across policy instruments. Such analyses could give a more holistic view of the policy making process where national institutional
context can be identified and discussed for the purpose of both academic analyses and practical policymaking.
REFERENCES


APPENDIX — LEGISLATIVE DOCUMENTS FOR EMPIRICAL ANALYSIS

Norway

Lov om introduksjonsordning og norskopplæring for nyankomne innvandrere (introduksjonsloven).

Forskrift om et nasjonalt personregister for introduksjonsordning og opplæring i norsk og samfunnskunnskap for nyankomne innvandrere

Forskrift om fravær og permisjon ved nyankomme innvandreres deltagelse i introduksjonsordning

Sweden

Lag om etableringsinsatser för vissa nyanlända invandrare

Förordning om ersättning till vissa nyanlända invandrare

Förordning om mottagande för bosättning av vissa nyanlända invandrare

Förordning om etableringssamtal och etableringsinsatser för vissa nyanlända invandrare

Förordning om statlig ersättning för insatser för vissa utlänningar

Denmark

Lov om integration af udlændinge i Danmark (integrationsloven)

Lov om aktiv beskæftigelsesindsats

Lov om aktiv socialpolitik