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Institutional Fragmentation and Scandinavian Childcare Variations

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ABSTRACT

Institutional fragmentation is usually assumed to influence social policy outcomes in countries with constitutional features such as federalism and divided government, but not in unitary and parliamentary states. The example of childcare politics in the Scandinavian countries suggests that institutional fragmentation and veto points also can play a significant role in unitary and parliamentary systems. The rules of childcare implementation in the Scandinavian countries to a varying degree provide municipalities and NGOs with veto opportunities and veto incentives against the realization of the central government's ambition of universal childcare coverage. In Norway but not in Sweden and Denmark municipalities and NGOs have been provided with significant veto opportunities as well as considerable incentives to act. This might help to understand why Norwegian childcare development has lagged behind its Scandinavian neighbours.

With the rise of the new institutionalism, *institutional fragmentation* has become much discussed as a causal factor behind welfare state variations. Typically, *institutional fragmentation of decision-making* is assumed to occur in countries with constitutional features such as federalism and divided government, but not in unitary and parliamentary states (see e.g. Tsebelis 1995; Bonoli 2001). In this paper I will use the example of childcare politics in order to show that institutional fragmentation can also affect the outcome of social politics in unitary and parliamentary states of Scandinavia.

The Scandinavian countries are often regarded as particularly similar welfare states. Yet traditionally, there have been significant differences in the field of childcare. Both Denmark and Sweden have been pioneers in the development of universal childcare services since the 1970s. The same is not true for Norway. Despite considerably decreased differences, Norway lags behind its Scandinavian neighbours to date in at least two

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respects (Leira 2002). First, childcare for children under three is still much less common in Norway as compared to Denmark and Sweden. Second, fulltime childcare is less widespread in Norway.

Scandinavian researchers have paid much attention to these intra-Scandinavian variations as they question the image of a coherent Scandinavian social service model (see e.g. Sipilä 1997; Rostgaard and Lehto 2001). Earlier attempts to account for them focused primarily on functionalist demand-sided explanations (e.g. Leira 1992) and on cultural political aspects (e.g. Leira 1992; Sainsbury 1999; Sörensen and Berqvist 2002).

First, *functionalist explanations* stress that Norway's economic development and its urbanization lagged behind Sweden and Denmark until the 1980s. These delayed developments are believed to have contributed to a less urgent necessity of childcare facilities and as a consequence to a lesser childcare expansion. This kind of explanation is certainly helpful to understand the initial childcare gap between Norway and its neighbours, but much less so as regards the still lasting childcare variations – given the nowadays levelled out socio-economic differences.

Second, the *cultural-political perspective* puts emphasis on the allegedly negative role of traditional family conceptions for the expansion of Norwegian childcare. According to this view, traditional family ideals resenting the dissolution of differentiated gender roles remained more viable among the population and in politics in Norway as compared to Denmark and Sweden. This perspective has been employed in several attempts to account for family policy variations among the Scandinavian countries. For instance Sainsbury (1999) and Sörensen and Bergqvist (2002) argued that in Norway family politics in general have been stronger oriented towards a 'separate gender roles' model because of the prominent political role of the Christian People's Party and the influence of conservative feminists within the women's movement. Also Norwegian case studies (e.g. Lea 1982) have suggested a significant role of traditional forces in Norwegian childcare politics. Indeed, the stronger significance of Christian and conservative forces might explain less ambitious childcare goals. However, a closer look reveals that the officially adopted policy of the Norwegian government has not been that dissimilar to the other Scandinavian countries. As will be shown below, from the mid 1970s all three Scandinavian governments advocated quite similar universalistic policies aiming at fully meeting the childcare demands of all parents.

Altogether both accounts have certainly contributed to the understanding of Scandinavian childcare variations, but they have never resolved the whole puzzle for the reasons outlined above. An alternative still under-researched puzzle piece might be provided by a *polity-centred*

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institutional perspective, which focuses on the implementation stage of decision-making. A focus on implementation aspects puts the search light on possible reasons behind discrepancies between official governmental policies on one hand and actual childcare outcomes on the other.

Only to a very limited extent has earlier research concentrated on the implementation process to understand why the official governmental goal of full childcare coverage has been realized to a lesser extent in Norway than in the other two Scandinavian countries. Systematic empirical analyses covering this aspect are lacking. Only some tentative hypotheses have been formulated.

The most prominent hypothesis in this context suggests that the lesser childcare expansion in Norway might be related to the fact that Norwegian municipalities are considerably smaller than Swedish and Danish municipalities. Because of their small size Norwegian municipalities might have found it harder to organize large-scale childcare (see e.g. Leira 1992). Indeed childcare provision seems to be related to municipal size in the Scandinavian countries. However, the childcare differences between Norwegian and Swedish and Danish municipalities remain, even if one controls for municipal size (see Hanssen 1997). Thus municipal size alone cannot explain the differences in childcare outcomes.

This paper will focus on another aspect of childcare implementation: The autonomous impact of municipalities and NGOs in their role as childcare implementers on childcare outcomes. Earlier research hypothesized that in Norway municipalities (see Leira 1992) and NGOs (see Nicolaysen 2001) have a comparably strong autonomous influence on childcare politics. I will analyse here if probably for this reason the implementation of the national goal of childcare expansion was realized to a lesser extent in Norway.

In this paper divisions of authority between the central government and both local governments and NGO-providers will be regarded as forms of *institutional fragmentation*. The overarching question will be whether variations in the degree of both forms of institutional fragmentation between the three countries might have contributed to differing childcare outcomes. For this purpose a systematic empirical analysis of official documents and national statistics will be conducted. The covered time span is 1975 – 2000.

In the next section a discussion of the theoretical perspective chosen in this paper will follow. Based on this discussion a framework for the comparison of childcare regulation in the Scandinavian countries will be developed subsequently. Thereafter this framework will be applied in the empirical analysis. Finally, based on the empirical findings, the overarching question will be answered.

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Decentralization as a form of institutional fragmentation

In this section I will set the issue of centralized versus decentralized implementation competences in the wider theoretical context of the *institutional fragmentation argument*, which has been developed in the context of the so so-called *polity centred approach* of welfare state research. The main analytical advantage of this perspective is that it allows linking policy outcomes with decision-making structures, with a particular focus on the question whether decision-making structures are concentrated or fragmented. So far this perspective has hardly been used to analyze the autonomous impact of municipalities and NGOs on policy outcomes. Yet it is a fruitful perspective.

Veto opportunities and the role of municipalities and NGOs

Simply put the argument of *institutional fragmentation* claims that institutional configurations that concentrate decision-making authority in the hands of the central government are a positive precondition for establishing universal welfare states, as they empower the government to carry out reforms as it wishes. By contrast polity structures which imply a fragmentation of authority between the government and other agencies are assumed to inhibit fundamental reforms since they provide reform opponents with significant *veto points* (Immergut 1992; Bonoli 2001). Empirically this assertion has been supported by both large-N comparisons (e.g. Hicks and Swank 2002; Huber et al. 1993; Huber and Stephens 2000; Swank 2001) and by particular case studies in fields like taxation policy (Steinmo 1993), health care (Immergut 1992) and pensions (Bonoli 2000).

The concept of veto points has particularly been brought to attention by the work of Ellen Immergut (1992) on health politics. She has argued that a successful legislation of governmental initiatives towards health policy reforms requires an absence of significant *veto opportunities* for opposing interest groups. These opportunities are in turn assumed to be dependent on 'the rules of the game' (in other words the institutions) of the decision-making process (Immergut 1992). In Immergut's own account certain constitutional prescriptions make up these rules. If for example the constitution of a country prescribes fragmented decision-making in the form of presidentialism, bicameralism or referenda, opponents of universal welfare state measures are assumed to have access to veto points. Others have stressed additional constitutional provisions of power fragmentation such as divided government, federalism, or judicial review (Pierson 1994, 1995; Bonoli 2001; Swank 2001).

I argue that also a division of competences between the central state and decentralized units like municipalities and NGOs may give rise to

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veto points. As yet this aspect has hardly been addressed by accounts of institutional fragmentation. This might be due to three limitations of previous work. First, veto point theorists have mostly concentrated on *regulative* or in other words legally binding institutions at the expense of non-binding *normative* and *cognitive* ones (see Scott 2001 for a discussion of the regulative, normative and cognitive aspect of institutions). Second, the focus is often further narrowed to rules provided by the *constitution*. Other 'institutional carriers' (Scott 2001) are often disregarded. Third, rules affecting the *legislative* stage of policy-making, but to a far lesser extent those structuring the *implementation* stage are focused on.

If these conventional limitations are overcome rules prescribing a decentralization of competences to municipalities and NGOs may also be regarded as institutions that provide veto points. This is not to say, however, that decentralization necessarily gives rise to veto opportunities for municipalities and NGOs on the central state level, which might be exploited to block legislative initiatives. Even in the most decentralized countries municipalities and NGOs rarely dispose of significant opportunities to block legislation. According to the argument here, their probable veto opportunities are to be expected in the *implementation process*. Under certain conditions municipalities and NGOs are provided with veto opportunities to dilute governmental policy prescriptions *in their own jurisdiction* by means of obstructive implementation. Whether this is the case depends on certain rules structuring the implementation process. These rules grant decentralized actors more or less autonomous implementation influence. In contrast to the rules behind the legislative process, these rules are seldom prescribed in the constitution. Typically rules of implementation are more often found in *sector specific* laws and normative prescriptions, informal agreements and routines in single policy fields.

Veto incentives

Another shortcoming of the literature on veto points is that it often merely discusses under which preconditions veto points occur. It seldom asks under which circumstances potential veto players *actually make use* of their power to block governmental initiatives. Some authors have stressed that veto opportunities are not necessarily used to actually impose vetoes (e.g. Pierson 1995; Tsebelis 1995). Others have shown that a fragmentation of authority under certain conditions even may give rise to 'action points' which are used by decentralized units to promote instead of obstruct an expansion of welfare state measures (Banting 1995; Maioni 1998).

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Arguably, the actual use of veto power is contingent upon the interest constellations of the involved actors. It only seems reasonable to expect a manifestation of obstructive veto power if the interest constellation of potential veto players is 'incongruent' (Tsebelis 1995) with governmental reform initiatives. The interests and incentives of veto players are in turn dependent on certain externally given instrumental and value related aspects. But they are also affected by certain rules.

As regards municipalities and NGOs financial rules play an important role. If municipalities are financially compensated for their implementation efforts this may improve their willingness to refrain from their veto power even if they otherwise would have used it. Hence also when it comes to veto *incentives* institutions play a role. Institutionalised rules about financial compensation affect the interests of municipalities either to make use of their veto power or to comply with the central governments' policy.

In sum, the argument here conceptualizes the division of implementation competences between the government and decentralized units as a form of institutional fragmentation, which under certain conditions provides municipalities and NGOs with powerful veto opportunities. If veto opportunities are actually taken advantage of to obstruct governmental decisions is, however, dependent on whether municipalities or NGOs have significant incentives to do so. Whether these incentives are given depends in turn among other things on rules regulating the finances of decentralized units.

Analytical framework

The empirical part of this paper will apply the argument above to analyse the possible impact of institutional fragmentation in childcare politics in the Scandinavian countries. More concretely, it will stepwise examine three questions. First, to what degree did institutional rules provide municipalities and NGOs with veto opportunities in childcare politics in the Scandinavian countries? Second, to what extent were municipalities and NGOs provided with incentives to use their veto opportunities? Third, to what extent might differences regarding the former two aspects have led to different veto usages in the three countries, which might have contributed to differences in childcare provision?

As to the *first* question I will explore to what extent certain rules granted municipalities and NGOs autonomous influence opportunities on the moulding of childcare in the three countries. The relevant rules are found in the national constitutions of the three countries, in sector specific laws, normative prescriptions and intergovernmental agreements. The constitutions, communal law and to a certain degree sector specific

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rules provide a general allocation of competences, which *formally* provide municipalities and NGOs with certain authorities. Beyond that, sector specific rules, normative prescriptions and intergovernmental agreements are assumed to circumscribe the *actual* degree of autonomy in the policy field of childcare. The assumption is that the degree of veto opportunities of municipalities and NGOs is negatively related to the specification of implementation tasks. Concrete rules, which may limit the autonomy of decentralized units to defy the realization of universal childcare, are among others *admission rules* and *expansion prescriptions* stipulating a certain level of childcare provision.

In the *second* step I try to reconstruct to what extent decentralized units had an incentive to actually make use of given veto opportunities. In this context two aspects will be distinguished: external interests and interests, which are affected by financial regulations. As regards external interests the economic and fiscal situation of lower level units as well as ideological predispositions matter. As regards the latter, *rules about state grants* for social service activities are expected to play a major role. Depending on their level earmarked grants for childcare may increase the willingness of municipalities to refrain from an obstruction of universal childcare provision. Block grants have a more uncertain effect.

Finally in the *third step* I will discuss the extent to which differences in the veto opportunities and veto incentives of municipalities and NGOs can be assumed to have led to a usage of veto powers. As a proxy to approach the actual impact of decentralized actors' veto usage, the degree to which they have provided *fulltime childcare for children of all age groups* will be discussed. In the end the main assumption is that a manifest veto usage only occurs if both significant veto opportunities and considerable veto incentives are present. In mathematical terms this assumption might be expressed with the following formula:

$$\text{Veto Opportunities} \times \text{Veto Incentives} = \text{Veto Usage}$$

Veto opportunities

As early as in the mid 1970s all Scandinavian countries' governments announced a commitment to meet the childcare needs of all parents (see Blom-Hansen 1998a). As Blom-Hansen has shown, in Sweden the Social Minister expressed in a governmental proposition that 'the general goal for [childcare] expansion shall be to [. . .] provide a place in municipal childcare for all children of pre-school age of employed or studying parents [. . .]' (Prop. 1975/76:92, 14). Likewise the Norwegian

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government stated in the proposition preceding the Childcare Act, 'that all children, whose parents wish it, should get a childcare place' (Ot.prp. 23/1974–75, 17). In Denmark the Social Minister declared in parliament 'that the [. . .] number of places for children [. . .] shall cover the actual social and pedagogical needs in the municipalities' (Folketingstidende 1979–80, A, 1945).

Given the childcare needs of a huge number of dual-earner families, which stood in sharp contrast to the coverage rates and opening hours of childcare provision in all countries at that time, the realization of the goal of full childcare coverage necessitated a tremendous expansion of full-time childcare for all age groups. In this section I will examine the extent to which municipalities and NGOs have been provided with veto opportunities against this policy.

Municipalities

In both Sweden and Denmark the constitution grants municipalities formal autonomy, including the right to levy taxes. In Norway, there is no similar formal rule, but municipal autonomy is de facto institutionalised in the Communal Law. More specifically, in all three countries social services are stipulated as municipal tasks (Hanssen 1997). Hence, in all Scandinavian countries general rules open up for an autonomous impact of municipalities on social policy making. However, sector specific rules circumscribe this formal autonomy in single policy fields. Regarding childcare in all Scandinavian countries the first encompassing legal regulations were introduced in the time span between the mid 1960s and mid 1970s.

In *Sweden* the preschool act of 1973 (SFS 1973:1205) codified a municipal responsibility for public childcare provision (§3): Childcare had to be offered either in the form of daycare or family daycare (§2). The law stipulated that all children from the age of six were to be assigned a childcare place (§4). Younger children of working parents should also be offered childcare whenever possible (§7). In the subsequent Childcare Act of 1976 (SFS 1976: 381) these rules were retained and in addition, the municipalities were obliged to set up and to implement local plans of childcare expansion to make sure that children of working or studying parents would be covered (§8). However, no time frame for the realization of this responsibility was specified in the law (Blom-Hansen 1998a). But in a complimentary agreement between the government and the municipalities' interest organization (Kommunförbundet), it was detailed that the municipalities had to set up 100,000 new childcare places and an unspecified number of family daycare facilities until 1980 in exchange for increased special state grants (Prop. 1975/76: 92). Taken

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together these early admission and expansion prescriptions signalled a certain constriction of the municipalities' childcare autonomy – at least on a normative level.

In the early 1980s the rules of the Childcare Act remained unchanged and were transferred to the new Social Services Act (SFS 1980: 620). However, from the mid 1980s the government further reduced the municipal elbowroom. In 1985 the Swedish parliament adopted a resolution to grant all children from the age of 18 months the right to a place in municipal childcare. This resolution was not binding, but it certainly put normative pressure on the municipalities because an option to codify a right to childcare by 1991 was officially announced (Prop. 1984/85: 209).

In 1993, finally, a binding obligation to provide municipal childcare for all children of working parents from one year to school age was legislated. Municipalities were obliged to offer childcare places on request without unjustifiable retraction from 1995 (Prop. 1993/94: 11). In 1999 the government announced a further extension of the childcare guarantee to be introduced in 2002. Since then also children of unemployed and parents on sick or parental leave are to be covered (Prop. 1999/2000: 129).

In sum, in Sweden the government gradually reduced municipal autonomy in childcare politics since 1974. This was done by steadily widening and strengthening municipalities' obligation to guarantee certain categories of children a place in childcare and to expand the overall childcare provision. The veto opportunities of municipalities might still have been significant in the 1970s but from the mid 1990s municipalities had little choice but to follow the government's commitment to provide full childcare coverage.

Denmark introduced the earliest encompassing childcare legislation. As early as 1964 the Child- and Youth Care Act articulated municipal responsibility to ensure the availability of 'necessary childcare institutions' (Lov 193 04/06/1964). This vague municipal obligation was somewhat strengthened in the social assistance act from 1974 (Lov 333 19/06/74), which mandated municipalities to ensure that the necessary number of childcare places actually would be provided (§69). However, the meaning of 'necessary number' was not specified in the law. In practice this obligation only meant that municipalities had to comply with their own schedules of childcare expansion (Borchorst 1985). This liberal regulation was retained throughout the 1980s and in 1997 incorporated into the new Social Service Act (Lov 454 10/06/1997).

The vague contents of legislative regulation were however somewhat more specified by executive circulars of the Social Minister. Though not legally binding, these circulars had a significant *normative* impact on

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municipalities. Ironically this is indicated by a circular from the Social Minister, who explicitly reminded the municipalities of the non-binding character of earlier circulars, which allegedly was previously not understood (CIR 189 24/11/1982).

In 1976 a particular circular on municipal service institutions (CIR 69 29/03/1976) prescribed that all daycare institutions were required to be open weekdays for at least four hours daily. Moreover, the circular explicitly mentioned crèches and kindergartens but not family daycare facilities as regular childcare institutions (Knutsen 1992). However, because of cost-containment considerations formal family daycare was later declared to be equivalent to institutional childcare and even recommended as a favourable childcare form for smaller children in a circular from 1980 (CIS 177 31/10/1980). In the same circular the Social Minister also urged the municipalities to increase the enrolment of children in existing childcare facilities by 10 per cent without increasing the overall personnel and overhead expenses (CIS 177 31/10/1980).

I argue that these early recommendations were a clear governmental guideline to continue expanding childcare despite severe financial problems at that time. Given the gravely austere situation of Danish public budgets in the 1980s an expansion of childcare was only possible by relying more heavily on the cheaper family day care and by means of a rationalization of personnel costs.

In the subsequent years no further significant regulations were introduced. From 1991 the government engaged more explicitly in the steering of childcare expansion. It did so through the inclusion of childcare regulations in the yearly agreements about municipal finances between the government and the municipal interest organization (KL) (Blom-Hansen 1998a). These agreements have been held regularly since 1979 (Rieper et al. 2003). They were not legally binding (Blom-Hansen 1998b), but certainly influential for two main reasons. First, the government repeatedly threatened to impose collective sanctions or alternative legislative steering in the case of non-compliance (Rieper et al. 2003). Second, the contents of the agreements had a strong normative status from the perspective of the municipalities because their own interest organization, KL, strongly advocated regarding intergovernmental agreements as binding (Rieper et al. 2003).

As regards childcare the agreements between 1993 and 1999 clearly expressed a joint commitment of the government and KL to expand the provision of childcare in order to meet all parents' demands. In that context the agreements of 1993 and 1994 may be seen as the highlights. The agreement of 1993 explicitly urged all municipalities to introduce a childcare guarantee (Regeringen and KL 1993). The agreement of 1994

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was even more specific as it set the deadline for meeting the demands of all parents of children between the age of 1 and 5 to the end of 1995 (Regeringen and KL 1994).

At the end of the decade the government also resumed legislative steering efforts in the childcare field. In a legislative proposal from 1999 all municipalities were urged to voluntarily introduce a childcare guarantee for all children from the age of six months. Those municipalities that complied were granted the right to levy higher childcare fees from 2000 (L 56 27/10/1999).

In sum in Denmark the loose legislative regulations seem to indicate considerable municipal veto opportunities in the childcare sector. However, normative steering by circulars, proposals and intergovernmental agreements may de facto have formed the rules of the game in a way that weakened the autonomous municipal influence significantly. In particular, the intergovernmental agreements of the 1990s certainly had a strong circumscribing impact.

In *Norway* the first encompassing law was the Childcare Act from 1975 (Ot.prp. 23/1974–75). The act mainly covered ordinary childcare. Family daycare remained largely unregulated. The act stipulated an unspecified municipal obligation to run and expand childcare services (§3). Moreover, the municipalities were mandated to set up schedules with specified norms of childcare expansion (§4), but were not required to live up to the norms (Knutsen 1992). Taken together, these early regulations indicate a state commitment towards expansive childcare, but they seem too liberal to have seriously affected the municipal autonomy on this matter.

In the early 1980s no significant new decisions were made. In 1987 for the first time a deadline to achieve full childcare coverage was decided upon by the government (St.meld. 8/1987–88). The according regulation, however, set a very generous time frame. Full coverage was to be realized in 1997 and was defined as 90 per cent of the children below school age. Given its lack of short-time goals this new prescription probably influenced municipal decisions only to a very limited extent. In 1994 the government formulated a new expansion aim, which set new time limits (Ot.prp. 68/1993–1994). Now full coverage would have to be realized by year 2000 at the latest. Full coverage was now defined as only 70–75 per cent (and later as 70 per cent; St.meld. 27/1999–2000) of children between the ages of one and five. As the declared time span this time was more imminent the new regulation might probably have had a stronger constrictive impact despite its downgraded coverage definition.

Over the whole time period the legislative steering in Norway provided only weak regulation of municipal childcare. Non-binding declarations of

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future expansion goals may have had a normative impact, in particular the declaration of 1994. This declaration might have reduced the autonomous influence of municipalities significantly, but not strongly enough to deprive them of their veto power. Finally for family-daycare, concrete legislation and declarations were almost completely missing. Consequently municipalities were free to decide if and how to engage in this childcare form.

Nongovernmental organizations

NGOs also often play an important role as decentralized service providers. Below I will analyse the regulation of the activity of NGOs in the childcare sector.

In *Sweden* the role of NGOs in childcare provision was strongly circumscribed, because rules about state grants discriminated against NGOs (Statskontoret 1987: 3). With the introduction of the Childcare Act in 1976 state grants for the provision of childcare were *only* to be paid to municipal childcare providers (Prop. 1975/76:92, 22). With this regulation the state largely precluded an expansion of NGO-driven childcare (Grosse 2005). As a consequence the already low share of non-public childcare dropped from around 3 per cent in 1976 to 1 per cent in 1980 (Nyberg 1995). Thereafter certain forms of NGOs were gradually declared to be eligible for state grants. As late as 1992 non-public providers in general were eligible, provided that they were subjected to municipal childcare schedules (SFS 1991: 1973). The gradual repeal of the restrictions is reflected in a slow increase of NGOs share of childcare provision. From the 1980s this share increased from about 1 per cent over 8 per cent in 1992 (Nyberg 1995) to about 13 per cent in 2003 (Skolverket 2004).

In sum strong state regulations kept the market share of NGOs down in Sweden. As NGOs could not take on a significant role in childcare provision, they simply did not have any access to veto points against the universal childcare ambitions of the government. Even after the discriminating rules for state grants were repealed NGOs could not manage to gain a significant position. The market share of NGOs remained low and those NGOs that were active in childcare were fully subjected to municipal planning.

In *Denmark* non-public childcare provision was much more common. In 1975 non-public providers accounted for almost two thirds of all childcare institutions. Also thereafter NGOs accounted for a significant part of the provision, even though their share steadily declined to about one third in 2000 (Statistics Denmark 1976, 2001). In contrast to Sweden there were no rules precluding the existence or establishment of

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NGO-provision. At the same time, however, the autonomy of NGOs engaging in child-care provision was severely circumscribed in two significant ways by the circular on municipal institutions from 1976 (CIR 69 29/03/1976): First, newly established NGOs were not allowed to directly run childcare institutions. Instead they had to set up detached 'self-owning institutions' for this purpose. Second, in order to be eligible for public funding all private childcare institutions were obliged to enter into a contract with the municipality, which fully subjected them to municipal planning. In practice this regulation meant that municipalities were granted full control over the disposal of private childcare places (Knutsen 1992). Municipal control went particularly far with §4 (2) of the recommended standard contract between NGOs and municipalities, which stipulated that the municipality, not private institutions themselves, would determine the daily opening hours of private childcare institutions (CIR 69 29/03/1976, appendix 2). In principle these rules have remained unchanged. These rules make sure that Danish NGOs, despite their significant share of childcare provision, only have had a very limited autonomous control and thus no significant veto opportunities as regards the forming of childcare implementation.

Also in *Norway* non-public childcare provision has been quite common. Between 1973 and 2000 the share of private service facilities wavered between 40 and 50 per cent (NSD 2005). As in Denmark state regulations did not preclude NGOs to be active in the childcare sector. All NGOs complying with certain national quality standards were entitled to receive state grants via the municipality (Ot.prp. 23/1974–75). In Norway not only was the right to run childcare facilities almost unlimited, but also the control of NGOs over their own facilities. Unlike in Denmark NGOs were allowed to directly run childcare institutions. Furthermore private childcare institutions were to a lesser extent subjected to municipal planning. In particular they were not mandated to enter into a conditioned contract with the municipality (Statskontoret 1987: 3). Over the whole period on average about one half of all non-public institutions did not have a contract with the municipality at all or had a contract without conditions (Nicolaysen 2001). The providers of these institutions had complete autonomy to decide over opening hours, admission criteria and parental fees (St.meld. 24/2002–03, 11). Moreover, also the remaining non-public institutions could not be fully subjected to municipal control (Statskontoret 1987: 3).

Altogether, in Norway NGOs can be assumed to have had significant opportunities to influence childcare implementation and thus to exert veto power, as neither their right to run childcare institutions nor their autonomy to direct their institutions after their own preferences were significantly circumscribed.

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Veto opportunities in comparison

The empirical analysis of sector specific regulations revealed significant differences between the Scandinavian countries concerning the veto opportunities of municipalities and NGOs. Altogether the *veto opportunities of municipalities* have decreased in all countries in the period between 1975 and 2000. However the differences between the countries remained stable throughout the whole period. In Sweden the municipalities had average veto opportunities from the mid 1970s to the mid 1990s, due to the existence of limited regulative and normative admission and expansion rules. In the 1990s the municipal veto opportunities clearly decreased in the wake of the institutionalisation of a binding childcare guarantee. By contrast in Denmark the municipalities have enjoyed stronger veto opportunities up until 1990 as only quite unspecified legal obligations supplemented by some normative guidelines to expand childcare had been enforced until then. Thereafter normative expansion prescriptions of intergovernmental agreements starkly reduced this capacity. In Norway the municipalities had very strong veto opportunities until the 1990s because in this period only quite liberal normative expansion prescriptions had been formulated. In the 1990s these regulations were somewhat sharpened. As a result the veto opportunity of municipalities somewhat decreased – but not to the same extent as it did in Sweden and Denmark.

The *veto opportunities of NGOs* have been more stable over time in all countries and the differences between the countries have been larger. In Sweden NGOs virtually did not have any veto opportunities in childcare politics, since discriminating regulations excluded them from a significant participation in the provision of childcare for a long time. In Denmark NGOs hardly had a stronger position, considering central state regulations that severely circumscribed the control of NGOs over their own childcare facilities. Only in Norway can strong veto opportunities of NGOs be assumed, as significant regulative circumscriptions of the activity and autonomy of non-public childcare providers were lacking.

Veto incentives

Whether the abovementioned veto opportunities actually mattered for childcare politics depends on the interest constellations of the involved veto players. This section tries to reconstruct the extent to which external interest constellations and the construction of state grants provided incentives for an obstructive veto use of municipalities and NGOs in the single Scandinavian countries.

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Municipalities

For municipal officials an expansion of childcare entails in principle both positive and negative consequences. On the positive side an expansion of social services has favourable socio-economic and 'credit-claiming' implications (Pierson 1995). On the negative side economic aspects matter as the provision of services causes significant expenses. Whether the positive or negative aspect prevails is often dependent on the financial situation of the municipality. One might expect that also the political colouring of municipalities matters for their actual willingness to provide social services. Yet, earlier research has shown that this aspect is negligible (Hanssen 1997). Also other non-economic aspects might be relevant. These are, however, beyond the scope of this study.

In all Scandinavian countries the financial situation of municipalities has been austere in the past few decades (see e.g. Blom-Hansen 1998b). This is not only true for Denmark (in particular in the 1980s) and Sweden (mostly in the 1990s), which were hit by financial problems also on the central state level, but also for Norway. Norwegian municipalities may even be regarded as particularly 'poor' because of their small size. The average Norwegian municipality has only about 9,000 inhabitants compared to ca. 19,000 in Denmark and about 30,000 in Sweden (Rieper et al. 2003). The small size of many Norwegian municipalities implies weak administrative capacities and causes a particular pressure on service expenditures as it inhibits the establishment of large-scale service facilities. In addition, Norwegian municipalities are also more prone to financial problems since the imposition of a permanent municipal tax ceiling circumscribes their capacity to level out rising expenses by means of taxation (Hansen 1987).

Given these external conditions of austerity in all Scandinavian countries many municipalities might have had a general economic incentive to defy plans of childcare expansion. However, the Norwegian municipalities probably had the strongest motivation to do so because of their particularly circumscribed financial and administrative capacity.

As regards childcare, the interest constellation of municipalities was not only affected by these general economic conditions but also by particular rules about childcare related state grants. The construction and level of these grants certainly influenced the municipalities' willingness to use or to refrain from their veto power. In the context of childcare two broad forms of state grants can be distinguished: earmarked grants and block grants. Depending on their level and structure *earmarked grants*, which compensate municipalities in relation to their childcare activity, can be expected to provide an important financial stimulus for municipalities to agree to an expansion of childcare instead of obstructing it. On

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the other hand *block grants* to a lesser extent imply such a stimulus, as the level of paid block grants is usually not directly related to the actual childcare activity. In all Scandinavian countries earmarked grants were in place in the mid 1970s. These grants differed however in their structure and amount.

In *Sweden* a prescription on earmarked state grants was legislated in 1975 (Prop. 1975/76: 92) in conjunction with the new Childcare Act. The prescribed scheme only admitted state grants for full-time institutions, which were defined as those where two thirds of all children were taken care of for at least seven hours daily (Knutsen 1992). For each place in these institutions a fixed amount was granted. The scheme underwent a major change in 1984, when state grants became related to the actual number and the actual attendance time of children instead of the number of places. Again, ordinary childcare for children with few daily care hours was not financially supported. State grants for children with less then four hours daily childcare were only possible for children enrolled in family day care. But from then daycare for children with a daily stay of four to seven hours was also supported by state grants. However, the amount to be paid for these children was only half the amount to be paid for full-time children (Prop. 1983/84: 9). Altogether the Swedish earmarked childcare grants can be regarded as quite generous. They accounted for 44 per cent of the overall childcare costs in 1983 and for 40 per cent around 1990 (Statskontoret 1987: 13; SOU 1991: 98). In 1993 the earmarked grants were abolished. From then childcare compensation was included in a new block grant.

The Swedish scheme, with its generous attendance time related earmarked grants, provided the municipalities with significant incentives to join the state's efforts to expand fulltime childcare. Yet, with the transition to block grants in 1993, these incentives were weakened and Swedish municipalities may have had a stronger motivation to defy the national childcare goals.

In *Denmark* an earmarked reimbursement scheme was established with the introduction of the Social Assistance Act 1975 (Lov 333 19/06/1974). Accordingly, the state had to reimburse municipalities with 50 per cent of their standardized childcare budget excluding the revenues from parental payments (Statskontoret 1987: 3). The Danish scheme was neutral towards the attendance time and the age of the enrolled children. In 1983 parental payments on average accounted for about 22 per cent of the childcare costs (Statskontoret 1987: 13). Thus the overall contribution of state grants can be estimated to have been around 40 per cent at that time.

The reimbursement scheme however lasted only until 1985 when a system of block grants was introduced. Thereafter, in conjunction with an

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intergovernmental agreement on childcare expansion in 1994–95, a earmarked scheme was temporarily implemented (Blom-Hansen 1998a).

In Denmark the state disposed of a powerful financial instrument to keep municipalities on the track of childcare expansion as long as the reimbursement system was in place. The neutral structure of the scheme allowed municipalities both to provide fulltime and parttime childcare without creating incentives for either form. After 1984, however, this instrument was abolished, but temporarily re-established in the 1990s.

In *Norway* an earmarked scheme for the childcare costs was introduced in conjunction with the new Childcare Act from 1975. The scheme refunded municipal childcare costs with a fixed amount in relation to the number, age and attendance time of children in childcare facilities (Ot.prp. 23/1974–75). At first glance this scheme seems to favour childcare for younger children and fulltime childcare because larger nominal amounts were paid for these childcare forms. However, in relative terms the differentiation of state grants was much smaller than the differences of costs between these childcare forms. As a result a parliamentary report from 1981 found that childcare for children with a daily attendance time of three hours or more was compensated by only about 20 per cent by means of state grants, whereas the compensation rate for children with shorter care hours was on average about 30 per cent. Similarly, in relative terms childcare for younger children was less generously compensated than childcare for the older ones (St.meld. 93 1980–81). A similar but less extreme disproportion could still be observed in the 1990s (see e.g. St.prp. 1 1996–1997). Thus, in effect the Norwegian state grants discriminated against childcare of younger children and fulltime childcare. Unlike in Sweden and Denmark the system of earmarked state grants and its main characteristics has remained intact until this day, despite several minor reforms concerning its level and differentiation.

Another weakness of the Norwegian scheme, at least initially, was its low level of compensation. In 1975 the official ambition was to compensate municipalities with only about 20 per cent of their childcare costs (Ot.prp. 23/1974–75). Subsequently the aspiration level was raised several times (St.meld. 93/1980–81; St.meld. 8/1987–88; St.meld. 27/1999–2000). However, the actual generosity of state grants lagged considerably behind. In 1983 the state still compensated only between 25 and 30 per cent of the overall childcare costs (Statskontoret 1987:3; 1987:13). This was considerably lower than the compensation rates in Sweden and Denmark. State contribution became, however, more generous in the following years. In the 1990s it wavered between 35 and 40 per cent (St.prp. 1/1996–97; St.meld. 24/2002–03).

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Arguably, for a long time many Norwegian municipalities had a strong incentive to refuse to follow the national ambitions of childcare expansion because of the initially ungenerous level of state grants. In addition, the structure of the scheme may have provided the municipalities with incentives to defy universal childcare goals by means of a one-sided concentration on parttime childcare and childcare for older children. When state grants became more generous from the late 1980s the municipalities' motivation to exert obstructive politics was probably diminished.

NGOs

Also the interest constellation of NGOs was influenced by the financial circumstances and regulations outlined above. But also ideological motives may have played a crucial role. Often the welfare engagement of non-public providers is driven by ideological motives in the first place (see e.g. James 1989). These motives can conflict with national childcare goals. The question is to what extent this was the case with the Norwegian nongovernmental childcare providers. For the other two countries this question is irrelevant, as their NGOs did not have significant veto opportunities.

A glance at the composition of Norwegian non-public childcare provision reveals that religious organizations, housewife organizations, and parishes had a significant position among nongovernmental childcare providers in the 1970s and 1980s. Together they accounted for between two thirds and three fourths of nongovernmental childcare provision and for a quarter to more than a third of the overall provision between 1975 and 1990 (Grosse 2005). Thereafter their share dropped significantly. As these organizations shared conservative family values, they regarded childcare primarily as a pedagogical instrument and less as a way to relieve the care obligations for working parents (Grosse 2005). Given this ideological orientation, we can expect that they were interested in limiting their childcare provision to parttime care for older children. In consequence, we can conclude that a significant part of the NGOs active in Norwegian childcare had a manifest ideological interest to defy the governments' policy in the 1970s and 1980s.

Veto incentives compared

A comparison of the incentives of municipalities and NGOs to make use of their veto opportunities again reveals significant differences between the countries. In *Sweden* municipalities had a limited incentive to obstruct an expansion of fulltime childcare until 1993. On one hand, they faced

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budget constraints. However on the other hand, they were compensated for their childcare efforts with generous earmarked grants, which were directed primarily at fulltime childcare. From 1993 however they had a strong motivation to defy national goals, when the earmarked benefits were abolished at the same time as their financial situation worsened. In *Denmark* the municipalities had little reason to resist plans of childcare expansion until 1984 because of generous reimbursements. Thereafter until the mid 1990s they had strong incentives to defy the government's policy, as the municipal economy had considerably worsened and as reimbursements were replaced by block grants. Their motivation certainly changed again from the mid 1990s when the economic situation had improved and earmarked benefits were temporarily re-introduced. In *Norway* in the 1970s and early 1980s the incentive to resist an expansion of fulltime childcare was much stronger than in Sweden and Denmark. Norwegian municipalities in general had to struggle with a particularly precarious financial and administrative capacity. Moreover, in this period the earmarked grants were not generous and discriminated against fulltime childcare. The strong defiance incentives probably weakened somewhat from the mid 1980s, when the state grants became more generous.

As concerns the incentives of NGOs to run a non-compliant childcare policy, only the case of Norway is relevant because in Sweden and Denmark NGOs did not have significant veto opportunities. Until about 1990 in Norway many NGOs can be expected to have had a strong ideological interest to offer parttime childcare for older children instead of providing fulltime care for all. Thereafter less NGOs can be expected to have shared this interest since religious organizations and housewife associations lost their significance.

Veto usages and their probable consequences

Expected veto usages

Previous sections have dealt with the opportunities and the incentives of municipalities and NGOs to obstruct the government's childcare policy. We expected that potential veto players have to have *both* significant veto opportunities *and* considerable veto incentives in order to actually make use of veto powers. Based on this assumption and on the empirical results from the preceding sections one might expect the following differences between the countries, regarding veto usages of municipalities and NGOs in childcare politics (see Table 1).

For *Sweden* we would expect a consistently low veto usage of municipalities, since always either their veto incentives or their veto

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opportunities were weak during the entire period studied. A significant veto usage of NGOs is even less likely as Swedish NGOs did not have any significant veto opportunity. The latter is also true for *Denmark*. Yet as concerns the role of municipalities, stronger changes over time might be assumed in this country. For the decade between the mid 1970s and mid 1980s we might presume a weak veto usage of Danish municipalities since their economic incentives to defy the national childcare policy were low. However, in the subsequent five-years-period we can imagine an effective municipal resistance against plans of childcare expansion, as both the veto opportunities and the veto incentives of municipalities were considerable at this time. From the early 1990s we would expect a low municipal veto usage primarily because of low veto opportunities. For *Norway* we would expect the heaviest overall veto manifestation. From 1975 to the mid 1980s a very powerful overall veto usage might be expected since both municipalities and NGOs had strong veto opportunities at the same time as they had clear incentives to make use of them. Thereafter we would assume a somewhat decreasing veto usage. Finally, from the early 1990s both municipalities and NGOs are expected to have tended towards a somewhat lower veto usage, predominantly because their interests to make use of their veto opportunities had decreased.

Correspondence with actual childcare developments

Below I will try to examine the extent to which these expectations are paralleled by actual childcare developments. Expected veto usages, which are paralleled by a depressed overall childcare provision or a pattern of provision, which deviates from the imperative of fulltime childcare for

TABLE 1: *Expected veto usages in the field of childcare*

	Unit	Period	Precondition 1: Veto opportunities	Precondition 2: Veto incentives	Expected veto usage
SW	*Municipalities*	1974–early 1990s	Medium	Weak	Weak
		mid 1990s–2000	Weak	High	Weak
	NGOs	1974–2000	Insignificant	(Irrelevant)	Negligible
DK	*Municipalities*	1965–mid 1980s	Strong	Weak	Weak
		mid 1980s–early 1990s	Strong	Strong	Strong
		early 1990s–2000	Weak	Strong	Weak
	NGOs	1976–2000	Insignificant	(Irrelevant)	Negligible
NOR	*Municipalities*	1975–mid 1980s	Very strong	Strong	Strong
		mid 1980s–mid 1990s	Strong	Medium	Medium
		mid 1990s–2000	Medium	Medium	Medium
	NGOs	1975–late 1980s	Strong	Strong	Strong
		1990s–2000	Strong	Medium	Medium

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all children might indicate an actual veto impact of NGOs and municipalities on childcare outcomes.

One section showed that in *Norway* in the 1970s and 1980s a large share of the childcare market was occupied by conservatively oriented NGOs. Table 2 reveals that these organizations, which make up the categories 'private organizations' and 'parishes', accounted for about one quarter of all childcare places until 1990. According to the expectations above, these organizations are assumed to have exerted obstructive childcare politics. Indeed these organizations to an extraordinary extent deviated from the imperative of fulltime childcare for all age groups since they one-sidedly concentrated their childcare provision on parttime childcare for older children. Until 1980 on average less than one quarter and in the 1980s only about one third of all children enrolled in these institutions were either below the age of three or received full-time care. Given this result in Norway, ideologically committed non-public providers might indeed have exerted a manifest veto influence. With their childcare policy they may certainly have left an important imprint on the overall Norwegian childcare provision (Nicolaysen 2001). This imprint weakened only in the 1990s when their share of childcare provision dramatically decreased.

As expected, also municipalities with their own childcare institutions followed the same pattern in the 1970s and 1980s, albeit to a lesser extent than non-public providers. As a result, as Table 3 indicates, the considerable overall Norwegian childcare expansion was immensely compromised by an adherence to parttime childcare for older children. More than 80 per cent of all children enrolled in childcare were above the age of three until the late 1980s. At the same time about one half of

TABLE 2: *The influence of NGOs on the structure of Norwegian childcare provision*

		Older children[b] with part-time childcare among all enrolled children (%)				
	Market share[a] private organizations and parishes (%)		Non-public			
		Public[c]	Private organization	Parish	Others	All
1975	*26*	44	69	75	65	54
1980	*25*	58	79	84	74	67
1990	*25*	34	56	65	24	39
1995	*8*	30	74	65	26	32
2000	*6*	34	53	60	27	33

Notes: [a]Children in private organizations and parishes as a proportion of all enrolled children; [b]1975–1990: 4–7 year olds, thereafter: 3–5 year olds; [c]1975–1980: Municipalities, counties and the state, thereafter: only municipalities.
Sources: NSD 2005; Statistics Norway 2005.

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the enrolled children received only parttime care. As assumed, this pattern changed considerably from the late 1980s, but not strongly enough to catch up with the developments in Sweden and Denmark.

Also the development in *Sweden* for the most part corresponds to the above-formulated expectations, which suggested a consistently weak municipal veto usage against the goal of universal childcare provision. Swedish municipalities increased the overall childcare provision steadily over the whole time period. Compared to Norway, the Swedish childcare expansion was to a far lesser extent compromised by a concentration on parttime care. Still, in 1976 one quarter of the enrolled children was provided with parttime places. Yet, this changed dramatically and currently, virtually all enrolled children are in fulltime care. As concerns the age structure, Swedish municipalities to a much lower degree than Norway concentrated their childcare activities one-sidedly on older children already in the 1970s. The comparably low proportion of older children further slightly decreased in the subsequent decades.

Only in *Denmark* do developments not fully correspond to expectations. We assumed that Danish municipalities would not have imposed any stronger veto use against an encompassing childcare expansion in the period from the mid 1970s to the mid 1980s and again from the early 1990s. However we did expect a strong municipal veto manifestation in the short period from the mid 1980s to the early 1990s. In line with these

TABLE 3: *Coverage, age structure and attendance time in Scandinavian childcare, 1976–2003*

	Overall Coverage: Per cent enrolled 1–5 years			Age structure: Share older children[a]			Attendance time: Share part-timers[b]		
	SW	*DK*	*N*	*SW*	*DK*	*N*	*SW*	*DK*	*N*
1976	26	35	8	71	72	80	26	19	37
1979	37	50	17	71	70	87	16	16	53
1982	47	57	24	67	69	85	12	12	50
1985	55	64	28	67	67	86	7	11	47
1988	59	70	33	66	63	84	7	8	43
1991	59	72	42	67	63	79	5	6	34
1994	63	74	53	70	65	76	2	4	33
1997	72	83	64	70	65	71	1	0	33
2000	76	86	65	70	65	75	0	0	37
2003	82	87	73	68	64	74	0	0	31
Change	*+ 56*	*+ 52*	*+ 65*	*− 3*	*− 8*	*− 6*	*− 26*	*− 19*	*− 6*

Notes: [a]Per cent children aged 3–5 years among all enrolled children; [b]Per cent children with less than 30/32 childcare hours weekly among all enrolled children.

Sources: Togeby 1987; Blom-Hansen and Henneberg 1998; Skolverket (2003, 2004); Statistics Denmark (2005); Statistics Norway (2005).

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expectations there would have been a strong childcare expansion in the first and last period, intermitted by a slowed down expansion in the latter half of the 1980s. What we can see in Table 3, however, is that the Danish municipalities consistently expanded their childcare, without changing their policy of predominantly offering fulltime care. In Denmark part-time childcare was less common than in the other Scandinavian countries already in the 1970s. In the subsequent decades part-time childcare was further reduced and is nowadays virtually non-existent. Also the traditionally high inclusion of younger children was further strengthened throughout the period.

Comparison

These single aspects add up to the following overall developments of fulltime childcare: As Table 4 shows both Sweden and Denmark managed to build up a childcare system with almost full fulltime coverage for children above the age of three in the period between the mid 1970s and 2003 due to a steady expansion of fulltime places. By contrast Norway only managed to offer about 60 per cent of the children in this age group a fulltime childcare place, despite an accelerated expansion since the late 1980s. The differences are even stronger when it comes to children under three. In this age group both Denmark and Sweden have

TABLE 4: *Scandinavian variations in the development of full-time childcare*

	Children enrolled in fulltime-childcare by age								
	1–2 years (%)			*3–5 years* (%)			*1–5 years* (%)		
	SW	*DK*	*N*	*SW*	*DK*	*N*	*SW*	*DK*	*N*
1976	19	25	3	20	32	6	20	29	5
1979	28	40	5	33	45	10	31	43	8
1982	39	48	8	43	54	14	42	52	12
1985	46	55	9	54	61	19	51	59	15
1988	47	62	11	60	67	25	55	64	19
1991	46	63	18	64	74	35	56	69	28
1994	48	63	25	71	78	43	62	72	36
1997	59	74	35	79	89	48	72	83	43
2000	60	77	28	85	91	50	76	86	41
2003	65	79	34	94	92	60	82	87	50
Change	*+ 46*	*+ 54*	*+ 31*	*+ 74*	*+ 60*	*+ 54*	*+ 62*	*+ 58*	*+ 45*

Sources: Togeby 1987; Blom-Hansen and Henneberg 1998; Skolverket (2003, 2004); Statistics Denmark (2005); Statistics Norway (2005).

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expanded their fulltime childcare to cover a large majority of children. Norway, however, lags tremendously behind.

By and large these developments are consistent with our expected developments of veto usages in the individual countries: The steadily and quickly rising childcare coverage in Denmark and Sweden corresponds for the most part to the expected diminishing veto manifestation of Swedish and Danish municipalities, with the exception of the development in Denmark in the latter half of the 1980s. Also the slow expansion of fulltime childcare in Norway in the 1980s and the subsequent moderate acceleration is in line with our expectation of a vigorous veto usage of both municipalities and NGOs until the late 1980s, which decreased somewhat thereafter.

Altogether these data tentatively indicate that differences concerning the rules of implementation indeed might contribute to an explanation of the intra-Scandinavian childcare variations both over time and between countries. Norway, compared to the other two Scandinavian countries, had the worst institutional conditions to reach the goal of full childcare coverage. Ironically, given its lower levels of childcare provision from the start and given the particularly precarious financial and administrative capacity of Norwegian municipalities, it would have needed the best in order to have a chance to achieve this goal.

Conclusion

This paper has stressed sector specific implementation rules as a significant explanatory factor to account for Scandinavian childcare variations. It revealed that only in Norway but not in Sweden and Denmark sector specific childcare rules allowed for significant veto opportunities and veto incentives of municipalities and NGOs to obstruct the setup of a fully universal childcare scheme. These varying institutional conditions might help to explain why Norway did not succeed to establish an encompassing childcare program on full-time terms while Sweden and Denmark did.

At the end of this paper the reader might acknowledge that variations in sector specific rules (and in consequence variations of sector specific institutional variation) indeed co-vary with differing childcare outcomes but still question the independent analytical and explanatory value of the sector specific rules focused on here, arguing that these rules merely are a reflection of governmental or wider socio-political interest constellations. In order to address this point I will conclude this paper with a brief discussion on the analytical status and the explanatory value of the sector specific rules at the centre of analysis in this paper.

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As regards the analytical status, it has to be admitted that these rules indeed are not fully independent of the actors involved in the political process. This is mostly due to their non-constitutional character. Non-constitutional rules usually *cannot* be regarded as fully independent *institutional preconditions*. Instead they are often to some extent changeable by the involved political actors, in particular by governments. Nevertheless they are obviously more than a simple reflection of socio-political interest constellations. As the above mentioned Norwegian discrepancy between official governmental goals and existing sector specific roles suggests, it is instead more accurate to regard them as *mediating mechanisms* between policy inputs and policy outcomes.

But how can we make sense of these mediating mechanisms in a more concrete way? One possible alternative is to regard sector specific rules as *governmental strategies*, which can be either good or bad choices in relation to the pursued goals. Adopting this view one might conclude that the Norwegian rules, which granted municipalities considerable veto opportunities and incentives, simply have been bad strategic choices in relation to the goal of full childcare coverage. Another possible view is to regard sector specific rules as *partially independent institutions*, i.e., rules which are partially independent of governmental influences because of certain constraints to change them. In the Norwegian example the governmental capacity to easily legislate childcare rules has certainly been constrained by the fact that many governments in the period between 1975 and 2000 did not have a parliamentary majority. The same is also true for Denmark and Sweden. However, in the latter countries alternative steering options in the form of intergovernmental agreements and/or ministerial circulars were given (and have been used). In Norway these steering forms were uncommon and therefore not a viable option (see Blom-Hansen 1998b; Knutsen 1992).

Irrespective of whether we regard sector specific rules as mere governmental strategies or as partially independent institutions, the example of Scandinavian childcare politics suggests that they are a valuable explanatory factor in their own right. Differing sector specific rules imply different levels of *implementative* institutional fragmentation even among unitary and parliamentary countries like the Scandinavian ones, which lack the typical constitutional features of *legislative* institutional fragmentation. These differing levels of sector specific institutional fragmentation in the end make a difference for public policy outcomes *across countries*.

In addition, differing sector specific levels of institutional fragmentation might also help to account for *cross-policy* variations within countries. Again a Scandinavian example might help to illustrate this point: One might wonder why Swedish municipalities in the austerity era enforced

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retrenchments in some policy fields, such as elderlycare, but not in others such as childcare. Preliminary research results suggest that cross-policy variations in terms of sector specific institutional fragmentation might help to answer this question: Very simplified one can say that municipalities are forced to prioritize retrenchments in those fields where they have significant autonomous influence opportunities whereas they have to refrain from retrenchments in fields such as childcare where they lack such influence opportunities (see Rauch 2005).

In the end then, *sector specific* institutional fragmentation seems to be a valuable explanatory factor to understand variations of policy outcomes both across countries and across policies. In contrast to constitutionally prescribed forms of non-specific institutional fragmentation this form of institutional fragmentation also seems to be found and make a difference among countries without commonly known features of authority fragmentation such as federalism or divided government. Certainly, further research extending over the Scandinavian countries is needed in order to fully assess the significance of this institutional factor for future public policy research.

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