Between Two Regimes

Continuity and Change in the Swedish Transport Utilities, 1939-2010

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Abstract

This paper studies the liberalization of the Swedish transport utilities during the last decades from a regime change perspective. Here, focus lies on how regime coordination mechanisms such as the regulation of markets, the administrative and bureaucratic organization of utilities and the State-interest group relations has changed as a market-oriented regime has replaced a State-oriented regime after 1990. It is demonstrated that these changes do not follow the general patterns of policy change identified within previous research. Rather than as an institutional continuity through reproductive adaptation or abrupt disruptive change caused by exogenous pressures, regime change in the examined cases has a different character which combines these elements. Even if it the process of change was triggered by the economic crisis in the 1990s as an exogenous force, it is demonstrated that the previous regime has been transformed through a slow, yet distinctively disruptive change over the last decades.

Keywords: Economic history, Sweden, utilities, regulatory regimes, government-business relations
Between Two Regimes. Continuity and Change in the Swedish Transport Utilities, 1939-2010

1 Introduction
In the 1990s, a long, continuous period of active Swedish transport policy, where the State intervened on and regulated transport markets, came to a close. Instead, transport policy was fundamentally exposed to aspects such as deregulation, privatization and new public management. This change resembles the general shift from government to governance that has occurred in many western European nations. The orientation towards outcomes and efficiency through new instruments for the management of public budgets has been much stronger than in the past, where detailed regulation was the preferred option.\(^1\) Transport policy has thereby been dominated by the notion that more market orientation in the public sector will lead to greater cost-efficiency for governments, without having negative side effects on other political objectives and considerations.\(^2\) This transition to market competition also meant that the government would have to separate competitive and non-competitive elements of its utilities. In turn, this lead to a much greater fragmentation of the transport arena as the previous large and integrated monopolists were broken up.\(^3\)

But while there is no doubt that history can provide invaluable insights into such issues of utility regulation and provide relevant facts to current debates, history and historians have been sidelined or marginalized as economists and policymakers have dominated the discussions concerning utility regulation. As a result, utility regulation has tended to be founded on assumptions or ideologies which directly countered those underpinning regulation in the previous phase, rather than on historical knowledge and facts. In particular, proponents of deregulation have tended to argue that the foundations structuring previous regulation were increasingly irrelevant and obsolete. Furthermore, historical discussions concerning back-tracking or reconsideration of previous decisions are often embedded in romantic nostalgia of a State-oriented performance which most probably has never existed in a regular manner.\(^4\)

From this follows that in order to study and elucidate processes of liberalization, a number of methodological considerations to deal with its complexities are necessary. Here, identifying the character of policy and regulatory change is an important issue. Accordingly, it is necessary to take into account that liberalization in stable and mature economies rarely is an abrupt phenomenon. Rather, it evolves in the form of gradual change that takes place within and is conditioned and constrained by the same institutions that it is reforming or even dissolving.\(^5\) Consequently, it is crucial to avoid getting caught in a conceptual schema that provides only for either incremental change supporting institutional continuity through reproductive adaptation or disruptive change causing institutional

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2 Hodd (1991); Christensen and Lagreid (eds) (2001); Christensen and Lagreid (2007); Osborne & Gaebler (1993).
5 Streeck & Thelen (2005), p. 4.
breakdowns and innovation through exogenous pressures. The fact that transformative change can be caused by exogenous factors which are disruptive does not exclude that the subsequent process of change and adaptation to new circumstances is gradual. It is therefore necessary to take into account the fact that it takes time to transform established and mature institutions into new structures.

In order to capture such change and the character of the periods that it separates, it might be useful to apply a ‘regime’ concept. In general, a regime may be defined as any systematic organizational control or a recurring pattern of prevailing conditions. In the case of transport policy, the national regime then provides governance to the transport sector through social mechanisms which secure the coordination of infrastructure as well as communication and transport services. These coordinating mechanisms include markets, bureaucracies and professional networks.

Against this background, this paper deals with the governance of the utilities for railways, national roads and highways as well as maritime infrastructure, especially ice-breaking, in Sweden during the years 1939-2010 from a regime and regime change perspective. The examined time period is based on the assumption that a State-oriented regime was initiated through the nationalization of the private railways in 1939 and the wave of State intervention which followed in the 1940s as the Social Democrats begun to implement their new ideas on transport policy. It is furthermore estimated that this regime ended at the beginning of the 1990s against what we know of the policy changes at that point in time, which in turn established a new, market-oriented regime. These two periods, then, form the elements where transition takes place from one regime to another.

Here, I will focus on how a number of coordinating mechanisms have contributed to establish the two regimes and how change has occurred from one regime to another. These coordination mechanisms include the regulation of markets, the administrative and bureaucratic organization of utilities as well as the State-interest group relations which formed networks around the utilities. In this regard, the article has both an empirical and an analytical approach. The first part follows a chronological perspective as developments over time are described. The developments during these periods are then summarized and analyzed against a number of theoretical perspectives in the final part of the article.

What then motivates this article is that it provides new historical insights and analysis to the developments within transport policy in Sweden and Western Europe during the last decades. As such, the article both builds on and contributes to the international research on the long-term historical political economy and organization of transport policy which has emerged during the last decades. As such, this study is a synthesis of a number of foundations that has been produced through several stages. During the first stage, extensive empirical historical data on the sectoral organization and interest group participation within the three sectors that are covered in the article was collected separately through individual case studies. On the basis of this data, a comparative analysis of the different sectors, where patterns

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9 Eriksson (2007); Eriksson (2009); Eriksson & Pettersson (2012).
of similarity was identified, was undertaken during the second stage. As the final stage, a comprehensive theoretical analysis was carried out as the historical data was combined with theoretical insights from different traditions within political science and political economy research.

2 The State-oriented Regime, 1939-1990

2.1 Establishing the Regime Pattern
As the Social Democrats expanded the State control over transport and infrastructure from 1939, they relied on existing structures or on reproducing such institutional patterns from established sectors to new sectors. As a result, the organization of national infrastructure would over time be centralized through the establishment of a State utility within each communications or transport sector. This meant that even if areas such as road administration and maritime infrastructure not was under centralized State control at the beginning of the examined time period, they would eventually be organized according to a similar pattern leading to a uniform structure within the three examined areas.

In practice, this meant that the existing railway utility, Swedish State railways (Statens Järnvägar), served as a model for the organization of the utilities in the road and maritime sectors which emerged during the 1940s and 50s. In 1944, the national road system was placed under State control as the National Road Administration (Väg- och vattenbyggnadsstyrelsen) was formed. Later, a utility for constructing and operating maritime infrastructure technology such as lighthouses and ice-breakers was created through the formation of the Swedish Maritime Administration (Sjöfartsstyrelsen) in 1956.

Another common pattern between these utilities was that the operations and activities which were placed under central State control were amalgated into the existing utility. For instance, the nationalized parts of the railways system was not kept in its original joint stock company form, but amalgated into the Swedish State Railways. The same style of amalgation was applied when the National Road Administration and the State Maritime Administration were adapted to deal with new tasks.

There also emerged a common pattern with regard to the professional networks that emerged during these processes. Here, the government offered organized interests concerned with utility operations different forums and procedures for structural consulting through various organisational arrangements. These arrangements essentially followed the corporatist pattern for the participation of organized interests which dominated other sectors in Sweden. Actors within the issue networks for instance participated during the remiss procedures, where they were invited to comment on committee drafts in reports to the government. Interest organizations could also be invited to participate directly during official investigatory commissions.

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12 Eriksson (2007); Eriksson (2009), pp. 45-47.
Among these organizations, there was also an inner circle which consisted of a number of organizations that participated directly in the governance of the utilities through dedicated delegations and councils. Again, the railway sector appear to have formed a role model. Already in 1902, the Railway Council (Järnvägsrådet) was established. Before the nationalizations of the railway sector, the Railway Council had served as an intermediary between the Swedish State railways, the private railway companies and the consumers of railway freights. As such, it included business associations, chambers of commerce and the city councils of the largest cities. This role as tariff ‘watchdog’ in relation to the Swedish State railways continued after 1939 as the Railway Council monitored railway tariffs in an ambition to balance the needs of different societal interests in the nationalized railway system.14

A similar council, the State Icebreaker Council (Statens Isbrytarnämnd), was created for the governance of the ice-breaker operations of the Swedish Maritime Board. The function of the State Icebreaker Council was to coordinate the demands from shipping companies and export firms with the direction of the State ice-breaker operations. During an initial phase between 1926 and 1947, when the ice-breaker service was organized by the navy, the State Ice-breaker Council had a marginal function. However, as the leadership of the sector was transferred first to the National Board of Trade (Kommerskollegium) in 1947 and then to the newly-formed State Maritime Administration (Sjöfartsstyrelsen) in 1956, the State Ice-breaker Council would play a crucial role as year-round navigation was extended to the important export ports in northern Sweden. Within the State Ice-breaker Council, representatives from the trade associations from the forestry and mineral sectors supported the Swedish Maritime Administration with technical assistance as well as helping it with political pressure during the decision-making processes regarding investments in the government ice-breaker service. While the member composition of the State Ice-breaker Council shifted over time, some trade associations were regular partners to the State Maritime Administration in this regard. These included the Swedish Timber Product Export Association (Svenska Trävaruexportföreningen), the Swedish Cellulose Association (Svenska Cellulosaföreningen) and the Swedish Association of Paper Mills (Svenska Pappersbruksföreningen).15

Even if no formal council was established, a network also emerged within the road sector. In 1944, the national road system was nationalized as the National Road Board (Väg- och vattenbyggnadsstyrelsen) was given the monopoly to construct highways and main roads. In this regard, the Transport Delegation of Swedish Industry (Näringslivets Transportdelegation), which was the collective organ for a number of peak and trade associations within business, agriculture and industry, was given opportunities to influence issues regarding lorry traffic and road haulage.16 Another example of the privileged position of the Transport Delegation of Swedish Industry was its membership in the Cooperation Delegation within the Road Sector (Vägväsendets Samarbetsdelegation). This delegation was created in 1958 in order to monitor the implementation of the large-scale road plan (Vägplan 58) which had been presented the same year.17

In sum, these developments meant that by around 1960, the sectors examined in this paper were governed by the same controlling mechanisms. Markets were

15 Eriksson (2009).
organized in the same way, where the State in practice had taken over as the monopolist. There was also similar organization of bureaucracies as the State utilities were organized according to a similar pattern. Finally, the network relations in all three sectors were homogenous. This applied to both the general framework for the participation from organized interests and the specific councils tasked with governance issues.

2.2 Continuity under New Circumstances

However, from the middle of the 1960s, this regime was challenged. Behind this change lie new ideals regarding democratic representation, which emphasized that decision-making in society would be more direct and representative if the role of the parliament and other directly elected popular bodies were promoted on behalf of the indirect representation provided by the associations. As for the governance of the utilities, it should be noted that one part of this reform was a reorganization of the boards within the transport agencies. Accordingly, the parliament decided in 1965 to wind up the indirect representation from associations in the governance of the State utilities.\(^\text{18}\) Instead, so called laymen boards (lekmannastyrelser) would be constituted. Here, the concept ‘laymen’ was used to indicate that the board members were not employed within the agency they governed, which was considered necessary in order to achieve an independent and representative governing body.\(^\text{19}\) As a result, the Railway Council (in 1968) and the State Ice-breaker Council (in 1969) were phased out, being replaced by laymen boards. From 1967, a layman board was also introduced within the Swedish Road Administration which replaced the function of the Cooperation Delegation within the Road Sector.\(^\text{20}\)

In practice, this meant that organizations from business and industry not only would be represented in different way, but also would have to share their access to the State utilities with other actors as new groups were nominated to the boards of the public utilities. During the 1970s, actors such as politicians, civil servants, labor unions and other interest organizations which were considered to have sufficient democratic anchorage in society as a whole would enter the boards of the State utilities, offsetting some of the privileges until then enjoyed by business and industry.\(^\text{21}\)

Table 1, which demonstrates the representation of business and industry in relation to other actors in the boards of the three utilities investigated in this article during the period 1975-1990, illustrates one outcome of the governance reform. As a general reflection on the results in Table 1, it seems as if the access of business and industry to the State utilities still remained substantial after 1970. In fact, the existing networks seem to have adapted to the new circumstances. However, and as would be expected, the representatives from business and industry seem to have been selected as individuals, based on their specific skills and qualifications rather than as representatives from one specific organized interest as had been the case during the ‘council’ corporatism. As such, they represented and offered a sector-specific, yet broader business perspective to the operations of the State utilities.

Table 1. The distribution of representatives from business and industry in relation to other groups on the boards of the utilities for roads, railways and maritime administration, 1975, 1985 and 1990.

<table>
<thead>
<tr>
<th></th>
<th>1975</th>
<th>1985</th>
<th>1990</th>
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<tbody>
<tr>
<td>Business and industry</td>
<td>5</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Other (including politicians, civil servants, scientists and organizations)</td>
<td>10</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>20</td>
<td>21</td>
</tr>
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Furthermore, it must also be noted that in comparison with other areas, the board representatives from other fields than business appear to have been relatively pragmatic in their position on transport and communication issues. As a general contrast, this might be compared with the boards of agencies which dealt with employment and social policies where the governance reform resulted in an institutionalized conflict between labour and capital interests. Finally, the Swedish Employer Federation chose to leave these boards altogether in the beginning of the 1990s, citing the dominance of the labour perspective as the reason.\(^{22}\) By contrast, such marked differences never emerged within the transport and communication agencies. One explanation behind this is that the labour organizations both nominated more radical representatives and were more active on the boards of the agencies dealing with employment, industrial relations or social policies, than in the transport and communications sectors. Here, moderate representatives, who were sympathetic to the transport demands of business and market forces, appear to have dominated.

The participation from business within government commissions and remiss procedures was also affected by the representation reform. From the 1970s, public commissions would to a larger extent than during the post-war period be dominated by civil servants and external experts, rather than organized interests from the private sector. Furthermore, the opportunity to submit remiss comments was extended to a much larger group of organizations than previously had been the case.\(^{23}\) However, even if politicians to a large extent replaced the organizations as the dominating actors on the commissions on transport policy, the business perspective was not abandoned. During the peak of ‘council corporatism’ in the first part of the 1960s, almost 35 per cent of the commission members were representatives from organizations. In the latter part of the 1980s, this share was only about 7 per cent.\(^{24}\)

\(^{22}\) Johansson (2001).
\(^{23}\) Lewin (1992), pp. 103-104.
\(^{24}\) Hermansson et al. (1999), p. 31.
Nevertheless, the general goals of transport policy were still interventionist and directed towards the needs of business and industry. This notion is supported by an analysis of the submitted *remiss* comments during the period 1971-1997, where it is noted that the balance between labor market interests and business interests initially shifted in favor of the labor market interests. However, this trend was later reversed to a ‘business-as-usual state’ within Swedish politics where business interests have a certain, but minor advantage over other interests.\(^{25}\)

### 3 The Market-Oriented Regime 1990-2010

#### 3.1 A Shift towards the Market

The international economic recession during the first years of the 1990s hit the Swedish economy very hard. This also affected the direction of transport policy. In this regard, policy-makers and experts pointed out that existing regulations and institutions were one important cause behind macroeconomic weaknesses such as low productivity, low degrees of innovation, high inflation and slow rates of transformation.\(^{26}\) In response, an ambitious program of deregulation was introduced during the first part of 1990s. This program was also reinforced by the decision to apply for membership of the European Union (EU) in 1991 (Sweden joined the EU in 1995). In the new political context which had emerged after 1990, Sweden has been eager to adapt its policies to the European framework.\(^{27}\) Over time, this has produced a cumulative effect as the EU transport policy also has been directed towards establishing free markets and more competition.

The general direction of transport policy has also been affected by the austerity policies which successive governments have adopted since the first part of the 1990s. During the economic crisis in the first years of the 1990s, it was realized that public sector growth had become too dependent on borrowing on the international financial markets. In fact, this borrowing had expanded so quickly that it had become problematic to manage the external national debt. As a result, the public sector was downsized substantially during the 1990s, with very limited new investments.

As a result, the road, rail and maritime sectors have undergone a gradual transformation since 1990, which have affected the organization of markets as well as the management and autonomy of the utilities. These changes are particularly marked if they are compared with how efficiency and governance issues were handled during the latter part of the 1970s and the 1980s. As in other Western European countries, questions regarding the efficiency and management within the utilities were raised in the debate on transport policy. As a result, the operational autonomy of the State utilities in areas such as financial management and investments was actually increased during the 1970s and 80s. The main argument behind most of those decisions was that their operations had become so complex and included such advanced technology that it was increasingly difficult for Parliament to govern them in detail. Accordingly, their business and routines were allowed to vary considerably, depending on factors such as sectoral operational demands and economic/market

\(^{25}\) Hermansson *et al.* (1999), p. 34.


In previous research, these developments have been described as marketization (*marknadsanpassning*). As this term indicates, the utilities were allowed to adapt practices and techniques used by firms in the private sector in order to increase their efficiency, provided that such practices was accommodated into the existing general framework regarding the organization of markets and bureaucracies.29

One example of such reforms is the organizational changes within the railway sector introduced with the Transport Policy Act of 1988. One important objective of this act was to make conditions for the railways more similar to that of the roads in order to increase inter-modal competition. Here, the State took full responsibility for railway infrastructure investments by means of a new authority, the Swedish National Rail Administration (*Banverket*), while SJ would transform into a train-operating company. However, at this point in time the government did not mention intra-modal competition as a goal for railway policy.30

By contrast, after 1990 the government have repeatedly motivated these types of organizational changes where formerly integrated bureaucracies within the utilities have been split into smaller administrative agencies and commercial units with the need to introduce more intra-sectoral competition. Competition between public agencies and private firms has thereby been stimulated. For instance, SJ was converted into State-owned joint stock company in 2001 as a preparation for the introduction of direct competition on a deregulated railway market.31

In 2010, this process culminated with the establishment of the Swedish Transport Administration (*Trafikverket*). This reform finally separated the production of infrastructure and services from the administrative function in the road, rail, maritime and civil aviation sectors. This also finalized a long-term ambition to open the markets previously dominated by the incumbents. While the Swedish Transport Administration has the coordinated authority on issues regarding planning, procuring and monitoring in those sectors, it was decided that the production of infrastructure and services as a rule should be produced on an open market.32

From this follows that two elements – market organization and the administrative and bureaucratic organization of utilities - within the previous regime became subject to change after 1990. It should also be recognized that the notion that the State-oriented regime has been transformed into a new, market-oriented regime is reinforced by the way the professional networks have changed during the period.

### 3.2 A Fragmentation of Professional Networks

Table 2, which demonstrates the representation of business and industry in relation to other actors on the layman boards of the examined utilities in 1995 and 2000, illustrates two aspects of the new transport regime. Firstly, it should be noted that the 9 of the 11 representatives from business and industry that appear in 1995 sat on the board of the Swedish State Railways (the Swedish Maritime Administration and the Swedish Road Administration only had one member each). Of its 10 board members, the director-general was the only representative who did not have a background

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within business and industry. The reason behind their selection was most probably that the centre-liberal-conservative coalition that was in office in the period 1991-1994 had picked these members in order to prepare the Swedish State Railways for a planned deregulation and liberalization of the railway sector.\textsuperscript{33} In general, this also reflects a new type of business interaction with the utilities which emerged during the liberalization of the utilities. As more of the operations are run as commercial units and the authority role has been undermined, there has been a tendency to recruit managers with a background within business and industry who are thought to be more suitable to the new policy direction than politicians and civil servants.

Secondly, and even if this type of considerations are taken into account, it should be noted that Table 2 demonstrates a significant decrease in representatives from business and industry on the boards of the utilities in 2000 in comparison with 1990 (compare Table 1).

\begin{table}[h]
\centering
\caption{The distribution of representatives from business and industry in relation to other groups on the boards of the utilities for roads, railways and maritime administration, 1995 and 2000.}
\begin{tabular}{|l|c|c|}
\hline
 & 1995 & 2000 \\
\hline
Business and industry & 11 & 6 \\
\hline
Other (including politicians, civil servants, scientists and organizations) & 14 & 20 \\
\hline
Total & 25 & 26 \\
\hline
\end{tabular}
\end{table}


It would thus appear as if the lowered ambitions within transport policy has made the utility boards with its arena for mutual exchange less relevant for business and industry. In contrast to before 1990, where the utilities often were an important arena for system building and technology innovation, they have tended to be constrained to manage existing infrastructure and maturing systems during the last decades.\textsuperscript{34} Furthermore, after 1990 there has also been a tendency for the utilities to engage in ambitious planning of infrastructure projects, only to realize that the fiscal situation forces them to limit their ambition. Plans have thereby been implemented only partly or been abandoned altogether.\textsuperscript{35}

\textsuperscript{34} Benner (1997), pp. 122-23.
\textsuperscript{35} Hultkrantz & Nilsson (2004), pp. 16-17.
The notion that the significance of the earlier corporatist framework has decreased and that there is less mutual exchange between business and government in the traditional way is also reinforced by other empirical evidence. It is obvious that the scale and scope of lobbying from business interests have risen considerably since the beginning of the 1990s which means that the structures from the earlier regime is vanishing.

One important aspect of this process has been the formation of sectoral interest groups who are dedicated to promoting their own sector through lobbying against decision-makers. As an interesting example of how the role of actors has been transformed in this regard, it may be mentioned that the Swedish Road Federation has switched from being a co-operative partner to the State road utility to pursuing its own interest agenda through lobbying against politicians. In the maritime sector, a similar turn which form a marked contrast against the post-war cooperation has occurred. Here, the heavy manufacturing industries have mobilized against the government plans to implement the EU directive 2012/33/EU regarding sulphur content of marine fuels, which they argue will increase their transport costs. In this regard, the lobby group is dissatisfied that the government has abandoned its earlier position, which often resulted in instruments directed towards decreasing maritime transport costs for the export industries.

Another development has been the mobilization of regional interest groups that openly compete with each other for infrastructure funding. Through these actions, pressure groups seek to secure such commitments to individual infrastructure projects that it will crowd out the demands from competing projects. Typically, these groups have been composed by actors from the public sector such as county boards and municipalities as well as from the private sector such as firms and local or regional business associations. Here, railway projects have been a particularly interesting target for lobby groups and there are three marked examples of where such interest groups have been successful. In the beginning of the 1990s, the government decided on investments in the Mälar line (Mälarbanan) and Svealand line (Svealandsbanan), which connect Stockholm with the Mälardalen and Bergslagen regions. In 1998, a similar decision was taken to invest in the Botnia line which is a railway line between the cities of Örnsköldsvik and Umeå in northern Sweden.

4 Summary and Analysis
This paper has demonstrated that from the early years of the 1990s, Swedish transport policy has undergone substantial changes. The established regime with apparently well-run organizational and bureaucratic arrangements actively supported by strong networks and embedded in a stable policy context ceased and a new regime emerged. In this section, I will theoretically analyze this shift and its historical background. I will start by analyzing the foundations of the State-oriented regime in terms of the factors that created and upheld it. I will then identify the factors that

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37 Skogsindustrierna (2013).
made it break up and how these factors subsequently have the contributed to the creation of the new regime.

As for the State-led regime, its emergence followed a regulatory pattern which resembles how historical sociologist Frank Dobbin has described institutional reproduction. Dobbin claims that national institutions parallel the general principles found in the political system, which may differ from country to country. Dobbin also puts forward an evolutionary argument in that he states that as basic institutions once are established, they tend to be reproduced as policy-makers approach new situations where an existing institutional design seems appropriate. Hence, Dobbin states that existing institutions in this regard not simply should be regarded as a convenient resource for policymakers to reproduce in order to handle a new situation. Existing institutions must instead be considered as the basis for causal feed-backs which policy-makers appreciate and consider appropriate against the political system and political culture which they already operate in.41

With regard to such mechanisms, it must be noted that the Social Democratic transport policy in the post-war period was designed to support its macroeconomic policy model. This model included a commitment to full employment along with tax-financed public welfare systems, polices for Keynesian demand management and an active labour market policy. Against this background, transport policy was viewed as an essential instrument which could be fine-tuned and adjusted so that it would support a current direction of government policy.42 But in order to realize this political discretion, the State would ultimately have to take responsibility for transport services and infrastructure. It was therefore natural for the Social Democrats to add the nationalized elements within the same sector to the existing State utility structure and also extend these arrangements to the new sectors such as road and maritime administration which came under State control.

It must also be noted that the uniform governance of the utilities examined in this paper through councils and other corporatist arrangements reflected the general ideal for societal relations in Sweden at the time. This resembles Peter Katzenstein’s concept of ‘social corporatism’ as a central feature of small states’ behaviour. In this regard, Katzenstein notes that in order to achieve economic growth and become wealthy, a small country has to have an open economy and try to promote free trade. Thus, small countries have to pursue an open policy towards the rest of the world, which makes them vulnerable. In order to minimise these threats, a number of important and special measures have to be taken, which can be facilitated by some special organisational arrangements, in general characterised by a high degree of consensus between the private sector on one hand and the government authorities on the other.43 This conclusion has also been confirmed in a number of economic-historical studies such as the study by Jan Bohlin on Swedish tariffs and trade policy after the industrial breakthrough. From this perspective, it may be argued that the relations between the State and organized interests in the transport sector is one of many such arrangements. Here, the idea was to avoid unnecessary international vulnerability by assuring that the direction of transport policy was harmonized with the type of competition different industrial sectors was facing on the world markets.44

41 Dobbin (1994).
43 Katzenstein (1985).
44 Bohlin (2014).
This produced very stable foundations which persisted, as has been described in this article, for about 50 years. In this regard, it might even be argued that the State-oriented regime was characterized by a certain degree of path dependence with self-reinforcing positive feedback as suggested by historical institutionalists such as Douglass C. North (1990) and its applied study on Swedish transport history by Lena Andersson-Skog. In this regard, increasing returns benefitted the involved groups by giving them access to the policy-making arenas where decisions were made concerning the operations of the utilities. And as long as all concerned actors were satisfied with the outcome over time, continuity persisted. This also reflected the contemporary political attitudes in general, where vested organized interests strived to keep the long-term macro elements in society intact.\footnote{Andersson-Skog (2009)}

Yet, this very stable regime broke down. Here, the triggering factor behind the regime change after 1990 was the severe economic crisis in the first part of the 1990s. This crisis brought along such radical changes that it changed the attitudes to international ideas and trends regarding utility regulation. Now, Swedish politicians became increasingly ready to adapt new international ideas on liberalization, privatization, procurement as well as new public management. In what was perceived as a shattering welfare state, hopes were underpinned that these solutions could help politicians deliver the same amount of service, but at a lower cost. Furthermore, Swedish politicians, which previously had been reluctant towards the European cooperation, now embraced not only the idea of Sweden as part of a unified Europe, but also the market policies set forth by the European Union, which served as a another catalyst for regime change.

In part, this process is reminiscent of how such situations is described by research inspired by ecological economics. One group of scholars has argued that existing institutions may persist for longer periods of time, only to break down in the face of some kind of exogenous shock. Here, the central analytical concept is ‘punctuated equilibrium’, which emphasizes that historical change takes place in the form of relatively short moments of openness and rapid innovation, where old institutions are displaced by new ones.\footnote{Krasner (1988)}

But while the policy changes described in this paper clearly was triggered by the economic crisis as an exogenous factor, the elements of the State-oriented regime were only transformed at a relatively slow pace. In this regard, it is possible to talk about a change which is both slow and disruptive. One indication of this long, but inevitable process of change is that it took until 2010 to break up the previous market and organizational structure under which the utilities operated during the State-oriented regime. Here, a period of adaptation clearly occurred which culminated with the establishment of the Swedish Transport Administration.

The pattern for the interaction between the State and interest groups that emerged after 1990 also demonstrate the characteristics of slow but disruptive change. In Sweden, domestic policies during the 20\textsuperscript{th} century up to the 1990s relied strongly on institutionalized relations within different types of corporatist networks. Here, corporatism functioned as a mutually beneficial political exchange between organized interests and the government. This exchange is based on the fact that each actor controls resources that others desire. The State controls public expenditure and legislation and can privilege selected organizations by granting them the status of group representatives in the policy-making process regarding such issues. However,
this can only be realized when the State offers policies of interest to the organizations which, in return, provide tacit consent, approval or active support of government policy that is of interest to the State.\textsuperscript{47}

From this follows that as long as there exists an active, expansionist transport policy, which business actors feel they can benefit from, they will strive to participate in such corporatist arrangements. This case for corporatism is further strengthened if we consider that a mutual interest arises as the government probably will invite them as part of its ambition to facilitate policy-making. As long as this tendency continues, it will be self-reinforcing and dominate the political mentality towards interest group relations. Accordingly, this reliance on corporatism means that alternative strategies from business interests which involve lobbying and other unilateral pressure strategies towards the bureaucracy in order to satisfy its demands for infrastructure and transport services are less likely to occur.

However, organized interests will find it increasingly less relevant to take part in such exchanges if the government is constrained in its ability to offer favorable and credible policy deals, for instance when it is under economic pressure.\textsuperscript{48} Accordingly, if transport policy for economic and related reasons becomes increasingly less active, their rationale to participate in corporatist arrangements is lost. As such, the views and attitudes towards corporatist activities such as preparing \textit{remiss} comments and participating in commissions has changed. It is now viewed as more of a formal and bureaucratic duty, rather than an effective instrument to influence public policy.

And as the earlier strength of corporatist structures has faded, it has increasingly become clear that organized interests groups do not accept the new and passive behavior from the government within transport policy. As such, corporatist practices seem to be viewed as a way for the government to seek legitimacy for something organized interests in favor of an expansionist transport policy no longer have any substantial stake in. Instead, they have adopted alternative strategies to corporatism in order to influence transport policy. Consequently, these new conditions have resulted in a new pattern for interest group participation. As the government no longer has the ability to grant privileges to certain groups, the initiative instead lies with the business interests which will try to influence the passive State to undertake certain measures in their favor through lobbying activities. As such, the agenda within transport policy have become open to many different competing agents and interests given that they are able to mobilize the sufficient resources for their activities. This is reminiscent of how Robert Dahl has described a pluralist system of interest group participation and indicates that a shift of interest group participation from corporatism to pluralism has taken place.\textsuperscript{49}

But with the simultaneous withdrawal of the active State policy, a pluralist-oriented access to State arenas may not always be a guarantee for securing policies and investments which serves in the self-interest of a lobby group as is suggested by the so called public choice tradition within political economy.\textsuperscript{50} While a number of railway projects certainly fall in that category, business interests have also experienced that the general scarcity of public resources for investment means that lobbying for new projects is often complicated and unsuccessful.

49 Dahl (1967); Dahl (1982).  
50 Stigler (1971).}
From this follows that while the market-oriented regime not necessarily has resulted in increased abilities for private interests to promote their own self-interest, it has produced significantly more openings and opportunities for private interests to take over tasks previously performed by the State. From this follows that change in the cases examined in this paper not only has resulted in one regime replacing another, but also in a much more heterogeneous structure in the transport sector. This undoubtedly reflects that the preceding change has been disruptive, rather than reproductive.
Mellan två regimer. Kontinuitet och förändring inom det statliga transportföretagandet i Sverige 1939-2010


I praktiken har detta tagit sig uttryck i att marknaderna för transport- och infrastrukturtjänster gradvis men systematiskt har avreglerats i riktning mot fri konkurrens. De bolagiserade statliga verksamheterna har därmed förlorat sin tidigare monopolställning och verkar på en konkurrensutsatt marknad som styrs utifrån effektivitetskriterier hämtade från de så kallade new public management-idéerna. En viktig del i denna process har varit bildandet av Trafikverket 2010. Utgångspunkten för bildandet av Trafikverket var att dess styrning av marknaden för transportinfrastruktur skulle fokuseras mot upphandling och övervakning av kontrakt som upphandlades på en fri marknad.

Efter 1990 har också intressegruppsdeltagandet förändrats inom de undersökta sektorerna. I takt med att transportpolitiken har blivit allt mindre expansiv och aktiv har de tidigare korporatistiska samarbetsformerna minskat i betydelse för den privata sektorn. Ett exempel på denna utveckling är att intresset hos privata aktörer för att medverka i de statliga företagens styrelser har minskat. Istället har denna påverkansmetod ersatts med en annan typ av deltagande med tydliga pluralistiska särdrag. Detta innebär att intressegrupper mobiliseras runt specifika infrastrukturprojekt och med varierande grad av framgång använder olika typer av lobbystrategier för att påverka politiker och beslutsfattare.
Referenser


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Government bill 1987/88:50


