



# How School Finance Reforms Affect the Local Policy Landscape and Funding of Schools: A Case Study of the Transformation of the Swedish Model, 1989–1992

*Jonathan Lilliedahl*

**Abstract** • This article examines a specific localisation issue concerning a municipal comprehensive school in the city of Västerås, Sweden, that was brought about by two state reforms between 1989 and 1992: a) the decentralisation of the education system, and b) the introduction of school vouchers. The municipal school in question closed for the academic year 1991/1992, then re-emerged as an independent school one year later. My case study illustrates how, in historical perspective, financial reforms can affect the provision and funding of local schools in the political landscape of public–private partnerships. Documents from city archives and local newspaper accounts of the extensive debate form the basis of the analysis. A multiple streams framework is used to conceptualise the relationship between problems, policies, and politics. Policy entrepreneurs and time-specific windows of opportunities are identified as crucial to the historical understanding of how the multiple streams were coupled in the local policy landscape for the funding of schools.

**Keywords** • School finance, school vouchers, school buildings, educational policy, cultural policy

## Introduction

The significance of the decentralisation and marketisation of the provision and funding of the Swedish comprehensive school system (1989–1992) is well-documented. The system shift, related to the transnational neoliberal agenda, aimed to enhance the quality of education and improve financial efficiency. This was to be achieved through providing greater freedom in regard to school choice and competition by vouchers. Moreover, policies of this period were meant to promote grass-roots democracy and give voice to students, parents, and special interest groups.<sup>1</sup>

While considerable literature exists on the relationship between state funding and the local provision of schooling, the outcome of the Swedish reforms of 1989–1992 on municipal school administration has been little studied.<sup>2</sup> This constitutes a knowledge gap. Swedish school finance reforms embody the intentions of national policymaking, but their impact may include unanticipated consequences in how they affect municipal governments and local policy actors. Case studies analysing the sequence of political events on the municipal level reveal the complexities of policy implementation and the practical effect national reforms have on local financing of schools.

This article focuses on a single case study, providing a detailed examination of how the school finance reforms of the Swedish model from 1989 to 1992 affected local

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1 See, for example, Inger Erixon Arreman and Ann-Sofie Holm, “Privatisation of Public Education? The Emergence of Independent Upper Secondary Schools in Sweden,” *Journal of Education Policy* 26, no. 2 (2011), 225–243; Marianne Dovemark et al., “Deregulation, Privatisation and Marketisation of Nordic Comprehensive Education: Social Changes Reflected in Schooling,” *Education Inquiry* 9, no. 1 (2018), 122–141.

2 See literature review section.

funding and policymaking. The case in point concerns a specific localisation issue concerning a comprehensive school in the city of Västerås, Sweden, brought about by two state financial reforms between 1989 and 1992: a) the decentralisation/municipalisation of the Swedish compulsory education system, and b) the introduction of school vouchers. These reforms were responsible for the closure and subsequent reopening of the Fryxellska school (*Fryxellska skolan*, hereafter: Fryx), whose specialised music classes went from being part of a municipal school to coming under the auspices of an independent school in 1992. This case illustrates how financial reforms influenced various policy actors, their policy problem definitions, and the conflicts between proposed policy solutions. The findings highlight the relationships between the state, the municipal government, the private sector, and civil society when a new funding landscape was introduced in the local provision of schooling. In addition, school vouchers are seen to have been of crucial importance in setting the municipal agenda and making political decisions. Although the present study does not examine causality or draw conclusions regarding the impact of state reforms, it does aim to offer insights into the complex interactions between policy makers, their varying problem definitions, and the solutions proposed when the system shift was implemented in Sweden. The research question is how the municipal implementation of the Swedish state finance reforms between 1989 and 1992 impacted the local policy landscape and funding of schools.

### Literature review

Research in the field of school finance reforms has largely dealt with the question of public or private provision of schooling, and the relationship between centralised versus decentralised systems of publicly funded education.<sup>3</sup> Both issues are crucial to understanding the Swedish school reforms during the 1980s and 1990s. Moreover, prior studies have demonstrated intricate contextual circumstances and policy-making principles that determine the local administration and governance of education.

### *The centralised/decentralised school system*

There is great variety concerning the administrative and financial control of public education across the globe. Different countries have had different models for providing mass schooling, including various forms of national, regional, and local government support.<sup>4</sup> The balance between centralised and decentralised school systems has also shifted from time to time due to political transformations.

Centralised solutions have often been considered the key to mass education. One reason is that centralised funding may compensate for local variations in resources and infrastructure.<sup>5</sup> Another is that standardised curricula can transmit what is considered in the public interest the most worthwhile educational knowledge, while at the same time minimising the influence of special groups. Thus, centralisation is supposed to uphold standards that will guarantee democracy, welfare services,

3 David F. Mitch, "School Finance," in *International Handbook on the Economics of Education*, ed. Geraint Johnes and Jill Johnes (Cheltenham: Elgar Publishing, 2004).

4 Mitch (2004).

5 Johannes Westberg, "The Distribution of Government Grants in Sweden 1865–1900," in *History of Schooling: Politics and Local Practice*, ed. Carla Aubry and Johannes Westberg (Frankfurt am Main: Peter Lang, 2012), 15–37.

and the systematic development of expertise.<sup>6</sup> In contrast, decentralised systems are claimed to promote efficiency. Shifting responsibilities to municipalities and schools is meant to provide greater flexibility and responsiveness to local needs and circumstances. Such benefits are said to foster local initiatives, pedagogic pluralism, and improved academic performance. From the state government's point of view, a decentralised school system may also allow it to transfer the financial burden of education to municipalities.<sup>7</sup>

For most of the twentieth century, Swedish policy tended towards centralisation. Educational policies and curricula were streamlined, and the state government covered most of the costs.<sup>8</sup> Thus, the state used both legal regulations and financial incentives to standardise and control the growing comprehensive school system. While the process of centralisation began by the mid-nineteenth century, systemic development was intensified in the post-war period between 1946–1970.<sup>9</sup>

During the 1940s, public investigations concluded that a more centralised system would guarantee equal education. State funding was meant to compensate for local variations in economic resources, student population, and infrastructure due to size differences among municipalities.<sup>10</sup> Moreover, the comprehensive school system and its national curriculum was held up as a corrective for socioeconomic variations, and a means to counteract the risk of fragmentation based on special interests. However, the late 1970s and the 1980s saw a growing legitimacy crisis in the centralised school system. Decentralisation was demanded, and proposals for school vouchers were put forward in the policy debate. Such issues were not limited to Sweden: decentralisation by means of school vouchers was reflected in global trends.<sup>11</sup>

### *The transnational introduction of school vouchers*

Vouchers have long been used by government bodies to distribute public funds among various types of educational providers. For example, in such countries as Australia, Belgium, and The Netherlands, vouchers have served the public–private infrastructure relationships of religious (catholic and protestant) and non-religious schools.<sup>12</sup> My focus, however, is on the transnational movement towards decentral-

6 Edward B. Fiske and Helen F. Ladd, *Decentralization of Education: Politics and Consensus* (Washington, DC: World Bank, 1996); Mitch (2004); Donald R. Winkler, "Empowering Municipalities or Schools? The Decentralization of Education," in *Beyond the Center: Decentralizing the State*, ed. Shahid Javed Burki, Guillermo E. Perry, and William R. Dillinger (Washington, DC: World Bank, 1999).

7 Winkler (1999).

8 Fay Lundh Nilsson and Johannes Westberg, "Utbildning och ekonomi," in *Utbildningshistoria*, ed. Esbjörn Larsson and Johannes Westberg (Lund: Studentlitteratur, 2019).

9 Johannes Westberg, *Funding the Rise of Mass Schooling: The Social, Economic and Cultural History of School Finance in Sweden, 1840–1900* (Cham: Palgrave Macmillan, 2017).

10 Johan Prytz and Johanna Ringarp, "Local Versus National History of Education: The Case of Swedish School Governance, 1950–1990," in *Transnational Perspectives on Curriculum History*, ed. Gary McCulloch, Ivor Goodson, and Mariano González-Delgado (London: Routledge, 2020).

11 Dovemark et al. (2018); Lisbeth Lundahl et al., "Educational Marketization the Swedish Way," *Education Inquiry* 4, no. 3 (2013), 497–517.

12 Samuel E. Abrams, "Perspectives on School Vouchers," in *Handbook of Research on School Choice*, ed. Mark Berends, Ann Primus, and Matthew G. Springer (New York: Routledge, 2020); Max Angus, "School Choice Policies and Their Impact on Public Education in Australia," in *Choosing Choice: School Choice in International Perspective*, ed. David N. Plank and Gary Sykes (New York: Teacher's College Press, 2003).

isation and market-oriented vouchers due to the increasing influence of neoliberalism in educational policy.<sup>13</sup> During the 1980s and the early 1990s, such policy making was considered appropriate “to decrease central bureaucracy by shifting financial and educational decision making to local governments and private households.”<sup>14</sup> Private school management and competitiveness were supposed to improve efficiency in the public sector, and arrest failing academic performance.<sup>15</sup> Decentralisation was also expected to promote unconventional schools that could cater to different interests among students and their parents. It was envisioned that by supporting equal opportunity to attend a private school through the tax system, vouchers were likely to enhance social mobility, especially for those of lower socioeconomic status.<sup>16</sup> In sum, market principles were generally considered to “improve educational outcomes at the lowest cost.”<sup>17</sup> Therefore, it was proposed that parents and their children would receive vouchers from the government that could be used at any public or private school.<sup>18</sup> While the Right has increasingly pushed for such marketisation, the Left has been more reluctant to support proposals that would weaken the public sector.<sup>19</sup>

While voucher programs were usually introduced to enable school choice mechanisms, in appearance they seemed to be public grants to certain types of schools which received funds based on the number of students enrolled.<sup>20</sup> As a result, the 1980s and the 1990s saw public–private partnerships in the school system, and the establishment of a variety of non-government providers. The Swedish historical policy context should be viewed in light of these international developments and models.

In the mid-1980s, the US phenomenon of magnet schools (public schools with specialised curricula) grew rapidly due to federal funding.<sup>21</sup> Similar growth has been noted in studies of the later introduction and financial support of charter schools. These independently run schools provided a basis for school choice programmes and intra-district relations, promoted by a per-student funding allocation.

In England, the 1980 Education Act and the 1988 Education Reform Act supported the increase of quasi-market competition by introducing funding per student enrolled.<sup>22</sup> Guided by neoliberal ideas of market mechanisms, these reforms encouraged parental choice, school autonomy, and accountability.<sup>23</sup> Similarly, the establish-

13 Anne West, “Academies in England and Independent Schools (fristående skolor) in Sweden: Policy, Privatisation, Access and Segregation,” *Research Papers in Education* 29, no. 3 (2014), 330–350.

14 Martin Carnoy, “National Voucher Plans in Chile and Sweden: Did Privatization Reforms Make for Better Education?” *Comparative Education Review* 42, no. 3 (1998), 310.

15 John F. Witte, “An Introduction to Educational Vouchers,” in *The Wiley Handbook of School Choice*, ed. Robert A. Fox and Nina K. Buchanan (Chichester, Wiley, 2017).

16 Carnoy (1998).

17 Witte (2017), 278.

18 Milton Friedman, “The Role of Government in Education,” in *Economics and the Public Interest*, ed. R. A. Solo (New Brunswick, NJ: Rutgers University Press, 1955).

19 Jane R. Gingrich, *Making Markets in the Welfare State: The Politics of Varying Market Reforms* (Cambridge: Cambridge University Press, 2011).

20 Carnoy (1998).

21 Jia Wang and Joan Herman, “Magnet Schools: History, Description, and Effects,” in *The Wiley Handbook of School Choice*, ed. Robert A. Fox and Nina K. Buchanan (Chichester: Wiley, 2017).

22 Anne West and Elizabeth Bailey, “The Development of the Academies Programme: ‘Privatising’ School-Based Education in England 1986–2013,” *British Journal of Educational Studies* 61, no. 2 (2013), 137–159.

23 West (2014).

ment of city technology colleges (CTCs), and the later introduction of academies, are illustrative of the political strategies of promoting public–private partnerships. Both CTCs and academies were established as private non-profit, specialised schools, and were accepted and publicly funded by the central government in combination with sponsorships.<sup>24</sup> The 1993 Education Act similarly offered public funding on a matching basis to schools promoting a special interest, including the introduction of specialist schools, to improve educational performance and allow parental choice.<sup>25</sup>

The parallel policy movements in Chile, New Zealand, and Sweden are comparable with regard to their decentralisation and marketisation of publicly-funded education.<sup>26</sup> In New Zealand, open enrolment options were supported starting in the late 1980s. The Chilean voucher plan was launched earlier, at the beginning of the 1980s. The later-introduced model in Sweden had some similarities: the provision of schooling was transferred from the national government to municipalities, and teachers became municipal employees. This included a voucher plan involving national government funding at a fixed per student grant, whether the school was public or private. However, the Swedish education system has since been recognised as one of the greatest examples of privatisation because of the financial support it gives to for-profit schools side-by-side with not-for-profit independent schools.<sup>27</sup>

### *The context of school finance reforms in Sweden, circa 1989–1992*

The post-war expansion of secondary and tertiary education in Sweden was guided by a social democratic design of the national comprehensive school system. Curricular guidelines, legal regulations, and state funding were supposed to guarantee equality of educational opportunity among municipalities. In the late 1970s, however, the centrally regulated, uniform allocation of resources came into question as a legitimate principle of equality. The system was criticised for being bureaucratic and beset with difficulties adapting to municipality concerns. Moreover, the social democratic government was accused of not listening to the voices of stakeholders and various interest groups. A flexible system of compensatory resource allocation was sought.<sup>28</sup> Thus, the principle of achieving equality through national uniformity was modified into a system of enabling equivalent conditions.<sup>29</sup> From the state government's perspective, decentralisation was also a response to the societal call for cost effectiveness.

To provide flexibility and local empowerment, municipalities were given greater freedom to dispose of state government grants according to their needs and circum-

24 Geoffrey Walford, "From City Technology Colleges to Free Schools: Sponsoring New Schools in England," *Research Papers in Education* 29, no. 3 (2014), 315–329.

25 Walford (2014); West and Bailey (2013).

26 Helen F. Ladd and Edward B. Fiske, "International Perspectives on School Choice," in *Handbook of Research On School Choice*, ed. Mark Berends, Ann Primus, and Matthew G. Springer (New York: Routledge, 2020); Gary Miron and Christopher Nelson, *What's Public About Charter Schools? Lessons Learned About Choice and Accountability*, (Thousand Oaks, CA: Corwin Press, 2002); Mitch (2014).

27 Lundahl et al. (2013).

28 Lars Du Rietz, "Kampen om statsbidragen: En historia om pengar och styrning i svensk skolpolitik under efterkrigstiden," *Utbildningshistoria* 188 (1988), 36–90.

29 Gunnar Richardson, *Svensk utbildningshistoria: Skola och samhälle förr och nu* (Lund: Studentlitteratur, 2010).

stances.<sup>30</sup> In the end, the municipalities were given full responsibility for managing their operating budgets.<sup>31</sup> Such a municipalisation was initiated in 1989, when the terms of employment for teachers, including wages, were decentralised.<sup>32</sup> While the concept of management by objectives was expected to safeguard equality throughout the country, “funding was delegated to municipalities via an unhypothecated block grant for schools and education enabling them to make decisions as to how to use funds allocated by central government.”<sup>33</sup>

Deregulation aimed at introducing a greater variety of providers, including a wider range of alternative pedagogies and subject matter specialisations.<sup>34</sup> The expanded supply-side initiatives were supposed to enhance freedom of choice for parents and children. In this way, market mechanisms were expected to improve the quality of education, respond to the outcry for grassroots democracy, and bring about increased cost efficiency.<sup>35</sup> While private schools were not a new phenomenon, the 1980s brought them stronger financial and legal support. In the spring of 1991, it was stated that municipalities would redistribute state government and municipal grants to both public schools and local independent providers. On the first of July 1992, independent providers that had been approved by the state were given the legal right to receive a per pupil grant equivalent to that given to public schools (*Friskolereformen*).<sup>36</sup> “In effect, it transformed the Swedish school system from a virtually all-public, bureaucratically operated system with very little room for parental choice, to one of the world’s most liberal public education systems.”<sup>37</sup>

Ideologically speaking, the system shift at the beginning of the 1990s can be explained by the change of government that took place in autumn 1991. When the centre-right coalition came to power, they continued on the social democratic path towards decentralisation. At the same time, the centre-right wing put more emphasis on marketisation and privatisation, including public spending on for-profit private schools.

### *Municipal provision and funding of schooling*

The establishment of the comprehensive educational system in Sweden included not only a unified curriculum, but also initiatives towards a standardised school administration. In 1951, a commission of inquiry was appointed to investigate relationships between the national, regional, and local levels of policy making and school

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30 SOU 1988:20; Prop. 1988/89:4; Bo Lindensjö and Ulf P. Lundgren, *Utbildningsreformer och politisk styrning* (Stockholm: Liber, 2014); Florian Waldow, *Utbildningspolitik, ekonomi och internationella utbildningstrender i Sverige 1930–2000* (Stockholm: Stockholms universitets förlag, 2008);

31 Du Reitz (1988).

32 Prop. 1989/90:41.

33 West (2014), 333; cf. Prop. 1990/91:18.

34 SOU 1990:44; Prop. 1988/89:4; Prop. 1990/91, p. 106; Lindensjö and Lundgren (2014); Henrik Román, “I valfrihetens tidevarv: Friskoledebatt i fullmäktige 1980–2010,” in *Du sköna nya stad: Privatisering, miljö och EU i Stockholmspolitiken*, ed. Torbjörn Nilsson (Stockholm: Stockholmia förlag, 2013), 45–86.

35 Waldow (2008).

36 Prop. 1990/91:115; Prop. 1991/92:95; Prop. 1992/93:230.

37 Paula Blomqvist, “The Choice Revolution: Privatization of Swedish Welfare Services in the 1990s,” *Social Policy & Administration* 38, no. 2 (2004), 148.



administration. As a result, the 1956 School Board Act ruled that municipalities must have a local school board “with executive responsibility for almost all public schools, both mandatory and voluntary.”<sup>38</sup> Municipal school administrations thus grew significantly during the second half of the twentieth century and resulted in a variety of municipal policies due to differences in contextual features.<sup>39</sup>

Financial reforms of the Swedish comprehensive system of education have usually involved teacher salaries and contracts. The ratio of teachers to students and special needs have been the basis of government grant calculations. Rarely does the government engage in local management and facilities. However, the municipal burden of funding school buildings has been considerable and a matter of local ideological debate.<sup>40</sup> The provision of material support includes appropriate premises, teaching equipment, and school transportation, to name a few examples. Municipal decisions on such financial matters are seldom guided by a single principle; they are determined pragmatically by a variety of circumstances and mechanisms, rather than based on ideological principles.<sup>41</sup> Thus, school management issues may not only involve educational policy and financial constraints, but also different sectors and special interests, including cultural policy concerns, property issues, and urban planning.<sup>42</sup> Educational policy negotiation may, therefore, involve a variety of discourses related to the norms of what is considered a healthy living environment, principles of cultural conservation, and ideas of the future city landscape.<sup>43</sup>

While local politicians must balance financial needs for the provision of schooling with other municipal commitments, they are also affected by state government reforms that demand reconfiguration of public services. Moreover, the municipal policy making context is determined by power structures between policy communities both inside and outside government.<sup>44</sup> Further study is needed on how state finance reforms affect the local policy landscape and funding of schools, and particularly ways in which decentralising models such as voucher plans have had an impact on the municipal provision of education. While the Swedish introduction of school vouchers has been well-researched, the local implementation and policy making processes of the reform movement are understudied. This imbalance reflects the dominance of national policy scholarship and historical examinations of

38 Prytz and Ringarp (2020), 135.

39 Henrik Román et al., “Who Governs the Swedish School? Local School Policy Research from a Historical and Transnational Curriculum Theory Perspective,” *Nordic Journal of Studies in Educational Policy* 2015, no. 1 (2015), 27009.

40 Jonathan Lilliedahl, “Specialised music classes in comprehensive education: a case study of the Swedish shift from social-democratic uniformity to neoliberal diversity,” *Journal of Educational Administration and History* 52, no. 2 (2020), 228–240; Henrik Román, “I enhetsskolans tidevarv,” in *Stockholm blir välfärdsstad: Kommunalpolitik i huvudstaden efter 1945*, ed. Torbjörn Nilsson (Stockholm: Stockholmia förlag, 2011), 159–210; Román et al. (2015).

41 Henrik Lindberg, “Policy Learning and Political Pragmatism: The Social Democratic Party and the Question of Public Ownership 1982–1991,” in *Knowledge and Policy Change*, ed. Henrik Lindberg (Newcastle upon Tyne: Cambridge Scholars Publishing, 2013); Westberg (2017).

42 Nancy Beadie, “Education and the Creation of Capital: Or What I Have Learned from Following the Money,” *History of Education Quarterly* 48, no. 1 (2008).

43 Håkan Thörn, “Governing Movements in Urban Space,” in *Transformations of the Swedish Welfare State*, ed. Bengt Larsson, Martin Letell, and Håkan Thörn (New York: Palgrave Macmillan, 2012).

44 Beadie (2008); Douglas S. Reed, *Building the Federal Schoolhouse: Localism and the American Education State* (Oxford: Oxford University Press, 2014).

state government reforms, compared to the few case studies of the local provision of schooling as determined by contextual conditions, policy making networks, special interests, and time-specific events.<sup>45</sup> For this reason, I have conducted a detailed examination of how the school finance reforms of the Swedish model made from 1989 to 1992 affected local funding and policy making in a historical, cultural, and social context.

### Problems, policies, and politics

A multiple streams framework (MSF) provides a conceptual toolkit to retrospectively examine interrelationships between policy problems, various policy actors, their ideas, and the constituents of a particular sociohistorical context. Political scientist John W. Kingdon argues that such policy making is the outcome of the interplay of three independent “streams”: problems, policies, and politics.<sup>46</sup>

*Problems* are conditions perceived as obstacles that must be overcome. MSF emphasizes that something which did not previously present any difficulty can either suddenly or gradually come to be viewed as a problem.<sup>47</sup> In this article the focus is on the economic and administrative conditions in Sweden during the 1980s that ultimately were considered crucial problems for the local provision of schooling. As cited previously, state-regulated comprehensive schools were intended to ensure equal educational opportunities. However, the same bureaucratic system that was to establish equality, transparency, and predictability became an obstacle for its inflexibility and inefficiency. This can be discerned in feedback from educators and indicators such as budget deficits. Kingdon has here distinguished between “budget as a constraint,” and “budget as a promoter.”<sup>48</sup> Both have an impact on the governmental agenda, but in different ways. Budget considerations seek economic efficiency in the provision of schooling by controlling the rise in costs and implementing less expensive practices. Moreover, budget constraints are linked to national and local economic conditions, and may be a matter of perception:

Some policy makers can find a deficit of a given size tolerable, for instance, while others would find it outrageous. The budget constraint can be cited as an argument against a proposal that one does not favor on other grounds, and can be sidestepped for proposals that one does favor, by underestimating their cost or ignoring their long-range cost altogether.<sup>49</sup>

The budget is also a means of placing an issue on the political agenda. In this way, financial considerations may often result in policy discussions broader than a strictly economic one.

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45 Westberg (2017).

46 John W. Kingdon, *Agendas, Alternatives, and Public Policies* (Harlow: Pearson, 2014).

47 Nicole Herweg, Nikolaos Zahariadis, and Reimut, Zohlnhöfer, “The Multiple Streams Framework: Foundations, Refinements, and Empirical Applications,” in *Theories of the Policy Process*, ed. Christopher M. Weible and Paul A. Sabatier (New York: Routledge, 2017), 17–54.

48 Kingdon (2014), 106

49 Kingdon (2014), 108.



The *policy stream* consolidates communities and their alternatives. Such a community may be a network of politicians, special interest groups, consultants, researchers, journalists, parents, or others. Their “pet projects” and proposed solutions may be situated in the “primal policy soup,” that is, ideas and proposals that might be considered due to their value acceptability, general appeal, technical feasibility, and financial viability.<sup>50</sup> One may also define the policy stream as the national and international context of policy flows. For example, the proposed alternatives to the bureaucracy of the Swedish comprehensive school system were called deregulation and decentralisation, and such concepts were discursively connected to transnational ideas of privatisation and marketisation. Thus, the policy stream provides the opportunity to integrate such discourses, including the transfer of principles from the field of economics to the field of educational policy.<sup>51</sup>

The *political stream* represents the political system and “party politics.”<sup>52</sup> It conceptualises the impact of political majorities and governments in relation to the political decision-making processes involving proposals and legislation. Administrators are part of this stream. Interest groups may also join this stream when their ideas are organised in political campaigns. Thus, the political stream is the context of realisation.

Since some members of the national or local government might be supportive of a particular policy proposal, elections are an example of a *policy window*. There are points in time when an agenda might change through coupling of the problem, policy, and political streams. Kingdon defines such a policy window as “an opportunity for advocates of proposals to push their pet solutions, or to push attention to their special problems.”<sup>53</sup> Policy windows may modify the agenda in various ways and affect different streams. For example, while an election can open a window of privatisation in the political stream of educational policy making, budget deficits are located in the problem stream. Since politics are more than finding a solution to a given problem; elections include the process of “finding a problem to a given solution.”<sup>54</sup> Thus, the issue of privatisation may be based on a problem (such as the inefficiency of publicly provided education) or on the solution (finding problems with a pet privatisation project). In the present context, the empirical application of policy windows are about relating such windows as elections and budget negotiations to the local policy making context.

The last key concept is *policy entrepreneurs*, that is, advocates, politicians, bureaucrats, and representatives of special interest groups who invest their material or symbolic resources to push a proposal (their “pet project”) by coupling the three streams together.<sup>55</sup> While policy windows are time specific opportunities of action, the entrepreneurs are the actors, and they “must be able to attach problems to their solutions

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50 Kingdon (2014), chapter 6.

51 Heather Lovell, “The Role of International Policy Transfer within the Multiple Streams Approach: The Case of Smart Electricity Metering in Australia,” *Public Administration* 94 (2016), 754–768; Nikolaos Zahariadis, *Markets, States and Public Policies: Privatization in Britain and France* (Ann Arbor: University of Michigan Press, 1995).

52 Zahariadis (1995).

53 Kingdon (2014), 165.

54 Herweg, Zahariadis, and Zohnhöfer (2018), 27.

55 Kingdon (2014).

and find politicians who are receptive to their ideas, that is, political entrepreneurs.”<sup>56</sup>

The MSF shows that policy making is not primarily rational, but is a process of coupling ideas and solutions that “fit” the current situation. Moreover, policy making is the act of individuals, wherein policy entrepreneurs have a crucial role to play. The analysis of historical policy processes focuses on policy actors: what I know about their intentions, the social interactions behind their decisions, and the situational context in which they communicated. Thus, the impact of a particular reform can be found by tracking the finances, and by examining policy relationships and the micropolitical interaction that lie in the background.

### The case study

My single case research design is intended to facilitate an empirical enquiry into the interconnections between state government reforms, parallel historical events at the municipal level, and the contextual characteristics of the local setting.

The Swedish municipality of Västerås, along with the localisation issue of the Fryx school, provides a clear illustration of the impact of policy changes in Sweden between 1989 and 1992. This case was selected because of the way it reflects the state finance reforms under consideration.<sup>57</sup> In the late 1980s the Fryx school was affected by the municipalisation reform and the transfer of financial responsibilities to local governments. At the beginning of the 1990s, the administrative and political management of the Fryx school had significant influence on the municipality’s implementation of educational vouchers, including local governmental support for privatisation. The Fryx case brought about an intense debate that is highly instructive of the policy making process, presenting information richness that demonstrates the reform “intensely but not extremely.”<sup>58</sup> Although as a single case the Fryx school does not support empirical generalisations, it provides insight into the complexity of policy implementation and the local provision of education.<sup>59</sup>

The history of Fryx can be traced back to the establishment of a grammar school for girls in Västerås in 1866 (*Västerås elementärläroverk för flickor*). Beginning in 1875, the private school received state funding, along with the stipulation that needy students would be exempted from the school’s tuition fee. In addition, from 1888 on the school was supported by a municipal operating grant. Land and building construction costs were financed during the 1890s through a joint effort between the city assembly of Västerås, the association of the girls’ school, and Västerås Saving bank (*Västerås sparbank*). In 1939, Fryx was given over to the municipality of Västerås,

56 Herweg, Zahariadis, and Zohnhöfer (2018), 28–29.

57 The informative value of this case was identified in an ongoing study of the establishment of specialised music programmes in comprehensive school systems conducted by the present writer. Until around 1990, the city of Västerås was known as an industrial urban environment. The great social changes of the late twentieth century had resulted in efforts to modify the city landscape in the interest of modernisation. However, this movement was met with resistance by those calling for the preservation of the city’s urban heritage. Another contextual characteristic was that Västerås followed the “natality trend” in Sweden, which resulted in a decreasing student population from the late 1970s to the beginning of the 1990s.

58 Michael Q. Patton, *Qualitative Research & Evaluation Methods: Integrating Theory and Practice* (Thousand Oaks, CA: SAGE, 2015), 267.

59 Patton (2015), 264.

including all the assets of its foundation.<sup>60</sup> During the 1960s, the school was converted to a municipal comprehensive school (*Grundskola*). Specialised music classes (school years 4 to 9) were introduced in 1962 and have since then become the hallmark of Fryx.

During the second half of the 1980s, proposals were made to close Fryx by the School Management Department (*Skolkontoret*) because of a surplus of local schools and a municipal budget deficit. The school did close for the academic year 1991/1992 but reopened as an independent school one year later. The following is an examination of how state finance reforms during the period determined the socio-political and financial dimensions of this process.

### *Materials and analysis*

Two primary sources, municipal policy documents retrieved from the Västerås City Archives, and the Fryx archive on the extensive debate in the local newspaper (*Vestmanlands Läns Tidning*), formed the basis of my investigation.<sup>61</sup> I included the period between 1986, when the issue of closure was first raised, and 1992, when school vouchers were introduced, with emphasis on the most eventful years of 1989 to 1992.

Printed policy documents represent a formal record of the negotiations that took place during the decision-making process. Newspaper reports are also valuable to clarify the series of events. Taken together, these materials can be used to triangulate the chronology and verify findings.<sup>62</sup> However, their distinct characteristics have different evidentiary value. While meeting documents and minutes may constitute a reliable basis for analysing political decision making, newspaper sources can help define the purposes behind policy initiatives and the public reaction to a particular decision. Such news accounts are valuable for establishing the political atmosphere of the context.<sup>63</sup>

There may still be an unintentional selection bias. First, the historical documents are an incomplete record of the actual sequence of events. Second, my findings may be subject to revision due to the possibility of undiscovered documents. Restrictions put in place during the COVID-19 pandemic made visiting the archives impossible, leaving retrieval of primary source material to be carried out by archivists. The possibility of investigator bias, however, was reduced because of their familiarity with the archives and the professional handling of all requests.

There is also potential for misperception in the interpretation of the collections. The goal of identifying relationships between macro–micro policy making implies a hindsight bias. Thus, there is the risk of favouring those evidentiary materials that confirm such links.

<sup>60</sup> According to Per Wikner, chief lawyer, 1990-12-18.

<sup>61</sup> The policy documents were selected and scanned electronically in collaboration with the Västerås City Archives. After identification of the case record number (see list of references), the linked documents were located and retrieved. The Fryxellska school's own archive included three binders of newspaper clippings from 1986 to 1992. In addition, contemporary legislative documents have been referenced to depict the national political policy movements relative to the political actions in Västerås.

<sup>62</sup> Cameron G. Thies, "A Pragmatic Guide to Qualitative Historical Analysis in the Study of International Relations," *International Studies Perspectives* 3 (2002).

<sup>63</sup> Alexander L. George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences* (Cambridge, MA: MIT, 2005).

The analysis was guided by the MSF perspective as well as the research question of how the municipal implementation of the Swedish state finance reforms of 1989–1992 can be understood against the local policy landscape and funding of schools. The documents were critically interpreted with focus on how municipal decisions were made. Problems, politics, and visible participants were examined as the three crucial aspects of such an agenda setting.<sup>64</sup> The analysis was then guided by the political process and the arguments concerning costs and cost-effectiveness.

## Findings

### *The closing of Fryx*

In the mid-1980s, concerns were raised about low level of tax revenue in Västerås, and the result was cutbacks in municipal school funding. Since teacher salaries were then regulated by government grants and could not be touched, budget cuts needed to be made elsewhere. The previous municipal school administration had been able to support having an excess number of secondary schools, but the economic crisis now required urgent attention. In 1989–1990, the situation became acute when the new, decentralised teacher salary agreement led to deteriorating budget conditions.<sup>65</sup> While the centrally-located Fryx school had clear cultural-historical value, it needed extensive repairs as a result of neglected maintenance, and it was also necessary to modernise its facilities. Meanwhile, the cityscape had changed since the school had opened in 1902, and the school age population in the neighbourhood was very low. The municipality was also affected by a general decline in the number of school age children, and the trend was expected to continue: it had fallen 31 per cent from 1975 to 1992/1993. However, it was predicted that enrolment would soon rise towards a new peak in 2002/2003. About 35 classes were projected to be lost from 1990 to 1993, but then a soaring student population would require upwards of 50 new classes by the year 2000.

The decrease in student population, and thus the number of classes, resulted in a surplus of school facilities. Moreover, the growth of new residential areas caused new difficulties. Since parents wanted their children to attend a nearby school, retaining schools that would soon be phased out was not a proper solution. Another complication was the introduction of new building standards and changes in regulations pertaining to the work environment. That this constituted a multifaceted policy problem was conveyed by various indicators: economic constraints, the diminishing student population, and trends in urban development and planning.

In October 1987, the School Management Department (*Skolkontoret*) presented their localisation strategies. There were two options with regard to Fryx: close the school at the beginning of the 1990s, or maintain and modernise its facilities.<sup>66</sup> The social democratic Municipal School Board (*Skolstyrelsen*) decided to proceed with a closure plan. In January 1989, the leaders of the opposition group submitted a five-party motion asking for reconsideration of the decision to close the school. They argued that Fryx, as Sweden's first established grammar school for girls, and *Rudbeckianska skolan* as the oldest upper-secondary school in Sweden, provided "sig-

64 See Kingdon (2014), chapter 9.

65 Lars Höglund, *Mitt liv i skolans tjänst* (Stockholm: Vulkan förlag, 2018).

66 Official report (*Missivskrivelse*), 1987-10-13, Dnr 87:468-SKS370.

nificant cultural elements in the inner-city, which otherwise risks becoming a business and office centre only.” Moreover, since new housing was being planned in the area and student population was expected to grow, and Fryx was the only secondary school in the neighbourhood, there was no reason to consider closing the school. In addition, Fryx’s specialised music programme recruited students from beyond the local catchment area, so that retaining the school in its central location would facilitate attendance by students who commuted.<sup>67</sup>

The Municipal School Board, however, countered with a proposal to relocate the music programme to the eastern district of the city (*Viksäng*).<sup>68</sup> Their decision was based on an investigation by the School Management Department,<sup>69</sup> whose head had argued that a renovation of Fryx would be costly and have a negative effect on the provision of schooling in the outlying neighbourhoods. Closure was considered the most cost-effective, rational decision, based on estimated sales revenue, operating costs, expenditures linked to renovation and modernisation, as well as staff redundancies.<sup>70</sup>

In addition to the debate that took place in the decision-making bodies of Västerås, the municipality’s deliberations were challenged in a letter from the board of the Parents Association (*Hem och skola*). The municipality was accused of using figures that were questionable or demonstrably incorrect. The proposal was also criticised for disregarding non-financial issues, such as the 180 students in primary education music classes who would be forced to commute to a new school, with the attendant of safety problems and risk of social imbalance. Furthermore, parents argued that the municipality’s localisation strategy was outdated due to ongoing development in the area and the planned densification of the inner-city. The Parents Association pointed to the contribution the school would make to a lively city centre, citing Fryx as a healthy “cultural working environment,” rather than a school building in a substandard condition.<sup>71</sup> Parents cited an inspection of the property by professionals that showed the school was well worth renovating, not least because of the cultural values of its buildings.

In response to the parents, the Municipal Executive Board (*Kommunstyrelsen*) decided to commission a reassessment of its calculations and determine whether Fryx should be preserved or closed.<sup>72</sup> Roland Andersson, a professor of real estate management at the KTH Royal Institute of Technology in Stockholm, was assigned the task and presented his appraisal in July 1990. He argued that the Parents Association was justified in its opposition to the closure. His audit demonstrated shortcomings in the municipality’s calculations regarding residual value and the cost of modernisation. However, he stated that the conflicting figures did not provide a sufficient financial basis for a political decision on whether closure or refurbishment would be the most rational choice. He emphasised that the school’s central location gave the property a high market value, and that relocating the music classes would involve

67 Motion to the Municipal Council (Birgitta Nilsson (fp), Lars Luttröpp (m), Olle Wärmlöf (c), Hans Thunström (mp), and Mats Ericson (vpk), 1989-01-26, [unnumbered].

68 Minutes of the Municipal School Board, 1990-05-11, § 44.

69 Official report (*Tjänsteutlåtande*) (Lars Höglind, school manager), 1990-03-03, rev. 03-20, Dnr 89:1103-SKS110.

70 Appendix 3 (*Beräkningsunderlag för diskussion om Fryxellska skolans framtid*) (Lars-Göran Vendlegård, the School Management Department), rev. 1990-03-19.

71 1990-03-16, 2.

72 Minutes of the Municipal Executive Board, 1990-05-17, Dnr 90:104-Stk01/D5.

additional expenses for school transportation services, although the municipality's alternative proposal – to reassign the music classes among three different schools – would probably limit the increase in transportation costs.<sup>73</sup>

The Municipal Executive Board now proposed that the Municipal Council (*Kommunfullmäktige*) begin closing Fryx and transferring its music classes to other schools, while at the same time preserving the original structure as a “characteristically traditional building in the cityscape” and considering the fate of the other school buildings and the future disposition of the land in a separate process.<sup>74</sup> An extensive debate followed and the Social Democrats were accused of showing a lack of interest in cultural issues. However, in December 1990 the Municipal Council, under a ruling majority coalition of the Social Democrats and the Left (Communist) Party, decided to accept the proposal of the Executive Board.<sup>75</sup>

The department's plan for relocating the music classes to three other schools in outlying neighbourhoods was met with protests by the Parents Association and private individuals, who petitioned the administrative Court of Appeals in Stockholm (*Kammarrätten*). The parents argued that when Fryx and the associated foundation grants were transferred to the municipality of Västerås in 1939, the municipality had agreed to be responsible for running the school. The Parents Association also complained that the Property Management Committee (*Fastighetsnämnden*) and the Building Committee (*Byggnadsnämnden*) had not been properly involved.<sup>76</sup> Finally, parents challenged the legality of the order, since the manager of the construction company *Riksbyggen*, Bengt-Åke Rehn, was in league with the Social Democrats who had voted for the closure of Fryx. Letters to the Editor of *Vestmanlands Läns Tidning* (*VLT*) argued that the building site had probably already been promised to the company, since as early as 1986 they had created a blueprint for housing construction in the area.<sup>77</sup> Anders Olsson, the head of investigation at the Organisation Department (*Organisationskontoret*), stated that the land on which Fryx stood was more valuable as a construction site than as a school building.<sup>78</sup> The public debate piqued the interest of other companies, such as the Swedish Central Organisation of Condominium Associations (*Sveriges bostadsrättsföreningars centralorganisation*, *SBC*). They determined that the school could be converted to approximately 50 apartments for seniors. The Municipal Commissioner, Åke Hillman, agreed that the sale option was attractive, as the school was located in a desirable area of the Västerås inner-city. However, since “several stakeholders have shown interest, SBC must stand in line and take a queue ticket.”<sup>79</sup>

73 Report (Roland Andersson), 1990-07-25.

74 Meeting documents of the Municipal Council, 1990-11-15, no. 95, Dnr 90:0162-KS56.

75 Minutes of the Municipal Council, Kfm § 194, Dnr 90:0162-KS56, 1990-12-20, Dnr 90:102-Stk01/D5.

76 The complainants argued that the decision of the Municipal Council was against the Swedish Local Government Act. Opposition members of the assembly agreed in this regard (meeting documents of the Municipal Council, 1991-03-07, Dnr 91:0292-KS500; minutes of the Municipal Council, Kfm § 31, Dnr 91:0292-KS500, 1991-03-21, Dnr 91:102-Stk01/D5).

77 Pensionär med lite ATP, ”Kommunen låst av löften?” *VLT*, May 7, 1990, [page unknown]; Att skola är att vårda, ”Risk för snedkrytering,” *VLT*, May 9, 1990, [page unknown].

78 Eva Kanger, ”Fryxellskas öde beseglat? Troligt att skolan läggs ned,” *VLT*, April 4, 1987, 24.

79 Ingrid Andersson, ”Fryx blir hus för äldre? Bostadsföretag vill köpa skolan,” *VLT*, May 8, 1990, 19.



The debate during the period 1989–1991 demonstrates the interaction between problems, policies, and politics in the local policy making context. The ruling bodies argued that the policy solution to the budget deficit was to cut costs by liquidating surplus real estate. Fryx was a financial burden due to its current condition, and the high market value of its location made it difficult for the Fryx proponents to fight for its preservation. To upgrade the school would be costly and draw funds away from the urban development of school buildings in the municipality's family neighbourhoods. By contrast, the stakeholders of the Fryx school downplayed the need for financial restraint; they defined the proposed closure as the actual policy problem. The local administration was accused of being both short-sighted and narrow-minded in their public management and political decisions. They refused to consider the cultural resources that should be preserved. In addition, advocates argued that the property could be improved within a reasonable period of time. However, such arguments did not achieve legitimacy because of the power structure of the political stream. Nevertheless, as we shall see, the agenda setting and policy decisions rapidly changed. Although the Fryx school did close for the academic year 1991/1992, the municipal decision in December 1990 resulted in the establishment of a new policy network in support of the school's re-opening. In 1991, supporters took advantage of the policy window afforded by the state voucher reform and the election to the Municipal Council.

### *The private takeover*

Simultaneously with the municipal decision on school closure, advocates of the Fryx school; stakeholders from cultural institutions and the business sector, including the Confederation of Swedish Enterprise (*Svenskt Näringsliv*); prominent individuals (three vice presidents of *ABB*); and the CEO of the leading grocery retailer (*ICA*) announced their support for a private takeover.<sup>80</sup>

As a result of the state's decision on school vouchers, the Fryx Foundation was established to urge re-opening the school as "the city's 'cultural centre'."<sup>81</sup> Among the 31 founders, a number of well-known people from the local cultural sector and industry were listed.

The state of public opinion resulted in a promise from non-leftist parties to save the school if they came to power in the forthcoming election.<sup>82</sup> In September 1991, after 72 years in opposition, the centre-right coalition achieved a majority, a result the outgoing chairman of the Municipal Council, Åke Hillman, claimed was partly due to their management of the localisation issue.<sup>83</sup> Given the election promise and the current reforms in government grants, a pragmatic economic–educational policy was sponsored by a consortium of politicians, the municipal school administration, and the newly-constituted Fryx Foundation. Thus, various stakeholders came together in a collective interest group to re-establish Fryx. They mobilised as policy

80 Mårten Enberg, "Inga pengar för Fryx," *VLT*, December 20, [page unknown].

81 [Author unknown], "Stiftelsen ska återerövra Fryx," *VLT*, August 16, 1991, [page unknown]. The chairman, Olle Bjelfman, stated that private not-for-profit schools could be run with up to 30 per cent lower operating costs than public schools.

82 Lars Luttröpp (m), Birgitta Nilsson (s), Olle Wärmlöf (c), Hans Thunström (mp), "Valet avgör Fryx öde," *VLT*, September 12, 1991, [page unknown].

83 Höglund (2018).

entrepreneurs and joined forces with the political bodies in submitting proposals for financing the private takeover. A window had been opened for coupling policy actors outside of the municipal government with politicians and administrators on the inside, based on what could be considered a common policy problem. The special interest of those who wanted to save Fryx was joined with the policy intention of liberals and right-wing politicians to privatise the public provision of education.

When the centre-right coalition did come to power, they were bound by their promise to reopen Fryx for the academic year 1992/1993. During the fourth quarter of 1991, the public debate in *VLT* centred around the ongoing privatisation, but there was uncertainty about the financial details of the proposed voucher system.<sup>84</sup> In the budget for 1992, the Municipal Executive Board, the Child and Youth Welfare Services Committee (*Barn- och ungdomsnämnden*), and the Property Management Committee were commissioned to investigate how Fryx could be restructured as a private school, with the inclusion of the music classes. Since the national Government had announced that municipalities would be obliged to provide grants to private schools, unforeseen expenses were projected by municipal administrators pending the Government's decision on the voucher system. Moreover, in January 1992, the Municipal Executive Board set aside 240,000 kronor for a project manager, and in February, the Child and Youth Welfare Services Committee decided to allocate 6.7 million kronor to finance the restart of Fryx, including initial costs (800,000 kronor), furnishings and equipment (2,500,000 kronor), permanent teaching materials (3,150,000 kronor), and teaching aids and consumables (250,000 kronor). Furnishings and equipment were to remain the property of the municipality for the next 10 years and be budgeted through depreciation deductions during the same period.<sup>85</sup> Simultaneously, a letter of intent was signed by the municipal school manager (*skoldirektören*) and the chairman of the Fryx Foundation. In this context, the debate was increasingly divided ideologically. The Social Democrats argued that Fryx had become a symbol of privatisation. They believed officials at the Municipal School Department had been assigned to serve as "office boys" to the politicians and the Fryx Foundation in order to establish a private school, no matter what the cost. Moreover, politicians on the left argued that the re-opening of Fryx would likely result in inequality, not just financially, but also in terms of social imbalance.<sup>86</sup>

In March 1992, the Government proposed that students in private schools would be funded by the state subsidy given to the municipality (*sektorsbidrag skola*). At the same time, the municipalities would be obliged to allocate funds corresponding to the average cost per student at a municipal school, with a possible reduction of no more than 15 per cent.<sup>87</sup> A few weeks later, the School Management Department in

84 E.g., Mats Wikman, "Fryxellska blir friskola redan till höstterminen" *VLT*, December 19, 1991, [page unknown]; Lena Hörngren, "Fryx vann striden om musikklasserna," *VLT*, December 19, 1991, [page unknown].

85 Minutes of the Child and Youth Welfare Services Committee, 1992-02-18, BUN § 21, Dnr 92:1081-SKS124.

86 E.g., Mats Ericson (vpk), "Önsta offras för Fryx," *VLT*, December 04, 1991, [page unknown]; Lena Hörngren, "Varför ska Fryx få ensamrätt till musikklasserna?" *VLT*, December 31, 1991, [page unknown]; Åke Hillman (s), "Dyrbar springpojke," *VLT*, February 1, 1992, [page unknown]; Kjell Wadelius (s), "Fryx – symbol för maktskiftet," *VLT*, February 3, 1992, [page unknown]; Britt Sandström (s) and Kjell Wadelius (s), "För en utvald elit," *VLT*, April 18, 1992, [page unknown].

87 Prop. 1991/92:95.

Västerås suggested a model for implementation: a flexible grant corresponding to the average cost per student in the school district with the lowest special needs allocation, increased by 20 per cent of the municipality's average local cost. The remaining 80 per cent of such expenditures would be fixed and based on the school's actual expenses for premises and equipment. Since the flexible grant aimed to promote efficiency, the municipality introduced an "efficiency factor" of a 10 per cent deduction on the total grant. However, to promote privatisation, the committee decided to give a discount on this factor for the first two years, plus one-month free rent, and an allowance of 500 kronor per student for the first year. The municipality's cost for the stimulus package was covered by the unforeseen expenses reserve of the Municipal Executive Board. In this way, the municipality fulfilled its task of initiating publicly funded, but independently run, schools.<sup>88</sup> The case of Fryx created both the need for such local implementation and became the model for its realisation.

Since the private takeover occurred in the middle of the national introduction of school vouchers, the foundation began the school year with a strong enrolment of 440 students (17 classes, 13 of which had music specialisation) multiplied by 35,083 kronor per primary school student and 44,629 kronor per secondary student. This amount was equivalent to 90 per cent of the average cost per student in the municipal schools (in the Government bill 85 per cent had been requested).<sup>89</sup> The remaining 10 per cent was expected to be covered by lower overhead expenses. However, due to the elimination of a savings directive (the "efficiency factor" of 10 per cent), the Fryx Foundation received full financing from the municipality so that it could generate a financial surplus that could be set aside for investments.

The school building remained the property of the municipality. Since it had been completely emptied of equipment, new purchases were necessary. The 37.7 million kronor cost of renovation and expenditures was covered by the municipality; financed with loans but expected to be repaid by the tenant (the Fryx Foundation). However, the foundation received a rental contract in which the cost was reduced by 80 per cent. The Social Democrats raised objections concerning the lack of financial resources in the foundation or guarantees for bank loans granted to the foundation. They argued that the municipality was likely to incur additional costs for education. Moreover, they believed there had been an act of "ministerial governance" (*ministerstyre*) because the administrative handling of the case of Fryx appeared to be carried out by the parties in power, who wanted to use Fryx as role model of privatisation. The policy making process was run solely by the School Management Department, following instructions from the ruling parties, rather than based on roles assigned by the decision-making bodies of the municipality.<sup>90</sup> As a result, the Social Democrats increasingly shifted from economic to ideological arguments in discussions of the local management of schools.

Based on suggestions from the School Management Department and the Child

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88 Official report from the School Management Department, 1992-04-05, rev. 04-10, Dnr 92/Sk 1170:2; Minutes of the Child and Youth Services Committee, 1992-04-14, BUN § 61, Dnr 92/Sk 1170:2; Meeting documents for the Municipal Council, 1992-04-23, Nr 43, 92:0484-KS57.19.

89 The Official report from the School Management Department, 1992-02-20, rev. 03-02, 04-03, Dnr 92/Sk1035:200, appendix 2.

90 Meeting documents of the Municipal Council, 1992-04-23, Nr 41, Dnr 92:0410-KS57.12; Minutes of the Child and Youth Services Committee, 1992-02-18, BUN § 21, Dnr 92:1081-SK5124.

and Youth Services Committee, in May 1992 the Municipal Council decided to add 250,000 kronor for the foundation's extraordinary costs for temporary premises as a result of the renovation of Fryx.<sup>91</sup> In addition to funds provided by the decentralised voucher system, the Fryx Foundation was awarded a start-up allowance of 3 million kronor. Taken together, the municipal expenses for the first year amounted to 61.5 million kronor. This caused a debate among politicians.<sup>92</sup> Social Democrats and communists believed the budget was excessive. Since the management of Fryx resulted in increased costs, rather than income, privatisation had worsened the municipality's economic situation. Moreover, since there had been no change in the municipality's surplus of secondary schools, it was thought that other municipal schools would be threatened with closure.

Municipal employees were granted leaves of absence to serve in the private school. Teachers and students returned to Fryx, which has operated since then as an independently run non-profit school in its original building in the inner-city of Västerås.

To conclude the privatisation action, the introduction of the voucher plan was the policy opportunity that politicians and local entrepreneurs seized upon to launch their common project of saving Fryx and introducing the privatisation of public schools. The takeover also demonstrates a new way of setting a political agenda. While the Social Democrats were in power, the local school administration was mainly driven by the School Management Department. Politicians received input from officials and made decisions based on rational economic criteria. Although the centre-right coalition that followed were concerned with financial matters, their policy making process appears to have been more ideologically driven. Their administrators calculated the costs of privatisation, rather than investigating options focusing on the budget deficit.

## Discussion

The study demonstrates the complexities of municipal school administration and how, in the case of Fryx, multiple streams of local policy making in Västerås were affected by state finance reforms. The introduction of the voucher system appears to have had a great impact on policy agenda and political decisions, while the influence of municipalisation that preceded the vouchers was more indirect.

In the late 1980s, a policy problem arose due to the municipality's budget deficit, the surplus of schools, and the decline in the number of school-age children. In addition, the decentralisation of the education system brought about a transition to full municipal responsibility for the provision of education, including matters of employment for teachers. The resulting administrative and financial challenges caused conflicts in the political stream, that is, between the ruling bodies of Västerås and the opposition parties, together with their accompanying stakeholders and interest groups in the broader policy making context. Disagreements were caused by different attitudes towards the Fryx school's survival. While the municipal government and its agencies tried to guide themselves by economic rationality, other voices were

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91 Minutes of the Child and Youth Services Committee, 1992-04-14, BUN § 62, Dnr 92/Sk1171:2; meeting documents of the Municipal Council, 1992-04-23, Nr 44, Dnr 92:0485-KS57.19.

92 E.g., [Author unknown], "Nytt Fryx till varje pris?" *VLT*, April 30, 1992, [page unknown].

raised on behalf of cultural interests. From the latter's perspective, the policy problem was rooted in a short-sighted, narrow-minded view among Social Democrats and administrators of the School Management Department. The Fryx interest group and their political allies argued that the proposed solution to the budget problem should have also taken into account non-financial aspects, such as the value of cultural heritage, rather than the economic situation alone.<sup>93</sup>

The Social Democratic majority in Västerås was devoted to the founding ideas of the Swedish comprehensive school system. For them, the principle of equality through uniformity did not allow for an exception to managing the public interest efficiently by purely economic decision making.<sup>94</sup> Because of how the municipal organisation was structured, educational and cultural policies were overseen by separate departments and boards, putting issues of cultural values beyond the scope of the Municipal School Administration. With the political stream divided into separate areas of responsibility, the future of Fryx was determined by distinctions between educational and cultural policy. The policy making setting, however, rapidly changed by the interconnection of two types of policy windows: the election, and the voucher reform. These events coupled the streams of problems, policies, and politics in a unique way.

In the 1991 election of state and municipal governments in Sweden, both the national leadership and local ruling body of Västerås changed from the Social Democratic majority to centre-right coalitions. These changes set the stage for the passage and implementation of a school voucher plan. The voucher system, in turn, opened a window of opportunity to privatise public schools and establish new ones run by independent providers.<sup>95</sup> In this way, the state reform reflected a neoliberal idea that had gradually taken root in the Swedish policy stream, namely, the project of introducing market competition to promote efficiency and diversity.<sup>96</sup> However, the policy-making processes at the municipal level in Västerås were not so much motivated by consumer choice and arguments of efficiency; instead, the newly-appointed centre-right coalition was guided by their election promise of re-establishing Fryx. The Social Democrats and the communists, for their part, saw the ruling majority as totally pre-occupied with the desire to financially support a reopening plan and simultaneously implement the national voucher system, instead of investigating the most cost-effective way to provide education and manage the municipality's financial deficit. Contrary to the stated aims of proponents, the implementation resulted in additional costs rather than savings and cost-efficiency.

One may interpret the policy-making process in at least two different ways: either the municipal government had the fulfilment of their promise in sight, regardless of cost; or they were guided by finding a policy problem that would facilitate their pet project of privatisation.<sup>97</sup> In any case, the historical events related to the issue of Fryx exempli-

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93 The debate was similar to that in Stockholm regarding the Adolf Fredrik's Music School in the beginning of the 1980. See Lilliedahl (2020); Román (2011).

94 Fiske and Ladd (1996); Richardson (2010); Winkler (1999).

95 Kingdon (2014).

96 Arreman and Holm (2011); Dovemark et al. (2018); Lilliedahl (2020); Waldow (2008); West (2014); Witte (2017).

97 Herweg, Zahariadis, and Zohlnhöfer (2018), 27.

fies how national finance reform promoted local initiatives and non-public schools that could cater to the special interests of individuals and social groups.<sup>98</sup> The MSF perspective shows that policy making and implementation are not necessarily purely logical; rather, that policies and politics often transform objectives in unpredictable ways.<sup>99</sup>

While the constitutional situation in Sweden has favoured national governance, the municipal management of education has not always followed a strict implementation of government regulations. Policy issues at the local level are complex matters due to the many responsibilities of the municipality. There may be clashes between various policy areas such as education, culture, and urban planning. Political decisions, therefore, require the prior support of committees, ruling bodies, stakeholders, and interest groups.<sup>100</sup> In this regard, the present study emphasises the often-neglected impact of policy entrepreneurs and the local political stream.<sup>101</sup> We have seen how a parents association, industry and trade groups, local cultural workers, and municipal politicians formed a private–public partnership in order to re-establish Fryx by appropriating the principle of privatisation. On the one hand, the debate took place primarily in the political stream between politicians, administrators, and the parents association. On the other hand, there were those in the private sector who acted more covertly by providing symbolic support. In the end, state finance reforms and policy actors inside and outside municipal government were involved in the project. A change in the governing party and the introduction of the voucher system were crucial in coupling the streams of problems, solutions, and the political context, in all of which overarching budget considerations may have had both limiting and enabling effects.<sup>102</sup>

This case study illustrates how state finance reforms may affect the local policy-making landscape, and how a specific municipal implementation was determined by contextual conditions and time-specific circumstances. The narrative descriptions highlight the factors that influenced policymakers' calculations and decisions. MSF has aided in examining policy flows and transitions by condensing findings into a systemic architecture, thus providing a toolkit for translating context-specific events and statements into a common language of historical knowledge-building.

My findings suggest the need for further case studies of localisation issues. Under-researched topics in the field include relationships between the marketisation of school funding and urban planning strategies. While researchers in the history of education have documented the growing establishment of private–public partnerships in the provision of schooling, urban studies have demonstrated how market principles operate in the public management of premises and facilities, resulting in municipal companies, sell-off estates, and rental contracts.<sup>103</sup> From such a perspective, localisation issues may provide a fruitful basis for examining of the intersection between the municipal privatisation of public education and the new phenomenon of public property management.

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98 Blomqvist (2004); Román (2013).

99 Kingdon (2014).

100 Lindberg (2013); Westberg (2017).

101 Westberg (2017).

102 Kingdon (2014).

103 Thörn (2012).



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### **About the author**

Jonathan Lilliedahl is associate professor at the School of Music, Theatre, and Art, Örebro University, Sweden. Email: [jonathan.lilliedahl@oru.se](mailto:jonathan.lilliedahl@oru.se)

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