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An Irony of History or the Exception as the Rule

The Implementation by Swedish Municipalities of an Economic Housing Policy Instrument

Evert Vedung

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Perverse effects and ironies should be at the center of attention in academic public policy analysis. A ‘perverse effect’ is not any inadvertent result produced by a public measure but a result, inside or outside the target area, that is entirely opposite to the result intended. An ‘irony’, as defined here, is different from a perverse effect in that it designates any unintended and unexpected result whose causes are unknown or left without comment. The pronouncement ‘this is an irony’ means ‘this is an unexpected result’; the statement ‘this is a perverse effect’ means ‘this is an unexpected, diametrically opposite result at least partly produced by the intervention’ (Vedung 1998a. Utvärdering i politik och förvaltning. Lund: Studentlitteratur, p. 62).

The article deals with the ironic result of an economic policy instrument in Swedish national housing land policy, the Land Stipulation Requisite for State Housing Loans 1974–91. The purpose of the requisite was that the pertinent municipality (not a private landowner) must have allocated to the building commissioner the land for his planned residential development if he was to be granted state housing loans.

The policy makers expected that the share of the total housing production taking place on land supplied by municipalities would increase. Yet between 1972 and 1990 the housing production on land supplied by municipal authorities decreased. This puzzling gap, referred to as the ‘enigmatic irony’ of the Land Stipulation Requisite, is explained. The explanation is phrased in the terminology of a general theory of public intervention results. The explanation may be summarized as ‘exception as the rule’.

iro·ny ...

Etymology: Latin ironia, from Greek eirOnia, from eirOn dissembler
Date: 1502

1: a pretense of ignorance and of willingness to learn from another assumed in order to make the other's false conceptions conspicuous by adroit questioning -- called also Socratic irony

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Counterfinalities, perverse effects and ironies should constantly be at the center of attention in public policy analysis. A counterfinality is a result deviating from the one in view, whether inside or outside the target area. A special type of counterfinality is a perverse effect, which means that reforms produce not just any inadvertent or deviating result, but a result which is opposite the one intended.

The Concept of Irony
The term and concept of irony originates from the Greek eironia meaning dissimilarity, pretended ignorance. In a literary context, irony is a figure of speech engendering that you say one thing but mean the opposite. Writes Merriam-Webster Collegiate Dictionary: "The use of words to express something other than and especially the opposite of the literal meaning." Yet in addition irony can also signify disagreement between the expected and the occurred. Again Merriam-Webster Collegiate Dictionary: "Incongruity between the actual result of a sequence of events and the normal or expected result." It is this latter meaning which the word carries in in public policy and public administration language.

An irony or an irony of history is an unexpected result whose causes are unknown or left without comments whereas a perverse effect is a diametrically opposite consequence, produced at least partly by the public policy instrument. In an irony of history, the circumstances that have produced the ironic result are either not examined or examined with the conclusion that the policy instrument did not play any role or that a clear judgment of the role of the intervention cannot be passed. A perverse effect, on the other hand, is deemed at least partly a consequence of the intervention. The pronouncement "this is an irony of history" means "this is an unexpected result", the statement "this is a perverse effect" means "this is an unexpected diametrically opposite result at least partly produced by the intervention" (Vedung 1998:62).
Carrots, Sticks, and Sermons
The article deals with a policy instrument whose result was ironic. Public policy instruments may be divided into economic means, regulations, and information, or carrots, sticks, and sermons for fun (Vedung 1998). The subject of this paper falls into the carrots category. Its aim is to examine how a national economic means is implemented at the local level in a country. Since the examined economic program was a part of Swedish housing land policy, the study also concerns the implementation of a housing land or simply housing policy program.

The Land Stipulation Requisite for State Housing Loans 1974-1991
In 1974, a change was introduced in the Swedish state loan program for support of housing production—the so-called land stipulation (markvillkoret). The purpose of the new requisite was that the pertinent municipality (kommunen) must have allocated to the building commissioner (byggherren) the land for his planned residential development, if he should be granted state housing loans. Only on the proviso that the municipality had sold the land with ownership (äganderätt) to the loan applying building commissioner, or allocated the land to him with site leasehold (tomträtt), or allocated it to him in some other fashion, would the loan applicant be granted the subsidized government loans for the production of residences on the land.

Previously, a house builder might acquire land in urban areas from private owners, receive a subsidized government housing loan and build dwellings on the land. This close connection between land ownership and development rights would now be broken. Housing production with national government money would only take place on land released by the municipality. The land could be transferred with ownership to the commissioners. However, the municipality could also let the land with site leasehold, which meant that future housing land for residences built with national housing loans would be municipalized.

An Enigmatic Irony
The outcome objective of the land stipulation clause was based on the presupposition that, in the future, residential land would be released by the municipalities. The share of the total housing production taking place on

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2 Carrots, Sticks, and Sermons edited by Bemelmans-Videc, Rist and myself addresses various aspects of policy instrument thought. In my own chapter ”Policy Instruments”, a survey of typologies and theories of policy instruments is presented. An exhaustive list of policy instrument literature is also included.
land supplied by municipalities was expected to increase. This expectation was predicated on the notion that the national housing loan program was so advantageous for the constructor that nobody would want to build dwellings without using it.

Yet, the actual development in the targeted outcome area, when the land stipulation existed between 1974 and 1991, went in the opposite direction. Housing production on land supplied by municipal authorities decreased. In 1990, there were fewer dwellings produced on land transferred by the municipality than when the land stipulation was concretized as a preparatory policy commission proposal in 1972 or when it was inaugurated by Parliament in December 1974. In 1990, approximately 75% of Swedish housing production took place on land allotted by municipalities while it was around five percentage units higher in the years 1972–1978, on average about 80%. The difference is not very large, but still remarkable, since the trend is running in the direction opposite to the one expected. This is a puzzling finding. Hereafter, it will be referred to as the enigmatic irony of the land stipulation clause. (1993:148 ff).

**Purpose**

What explains the enigmatic irony of the municipal land stipulation clause in the Swedish Housing Financing Ordinance (*bostadsfinansieringsförordningen*)? The aim of the article is to provide an answer to this question on the implementation of an economic policy instrument.

**General Theory of Public Intervention Results**

To systematically shed light on the ironic result of the land stipulation requisite, I have applied a general framework of factors, which may affect national policy outcomes. Why is it that actual local results inside or outside the targeted area may differ from the adopted policy's officially institutionalized goals? Or why is that officially desired or at least tolerated outcomes are brought about without the aid of the pursued policy or even in spite of the policy pursued? What factors do more generally explain agreement – or discrepancy – between officially instituted intentions and actual results? These are the explanatory questions that will guide our study.
A. HISTORICAL BACKGROUND OF THE INTERVENTION
   1. Direction of change
   2. Political support
   3. Size of change
   4. Symbolic politics

B. INTERVENTION DESIGN
   1. Clarity (a. Linguistic obscurity, b. Several options for action)

C. IMPLEMENTATION
   1. National agencies (a. comprehension, b. capability, c. willingness)
   2. Regional actors (a. comprehension, b. capability, c. willingness)
   3. Local actors (a. comprehension, b. capability, c. willingness)

D. ADDRESSEES

E. OTHER POLICY INSTRUMENTS

F. OTHER ENVIRONMENTS
   1. Attitude of other environments
   2. Changes in target area


Figure 1 A General Theory of Public Intervention Results

The list of factors to be applied, illustrated in figure 1, is more fully presented in my publications Public Policy and Program Evaluation (1997:211 ff), and Statens markpolitik, kommunerna och historiens ironi (Government Land Policy, the Municipalities, and the Irony of History, 1993:28 ff).

Figure 1 presents six larger determinants, which may impinge on public intervention results, i.e. outputs and outcomes. These six main factors are divided into subfactors, and occasionally subfactors to subfactors. While the term “results” may refer to outputs, or outcomes, or both, I shall limit my discussion here to outcomes (for this language, see Vedung 1997:4 ff, 17ff).

Figure 1 should not be understood to suggest that each of the six factors may independently influence public intervention results. Influence from one factor may occur through interaction with one or several other factors. For instance, political support in the form of a broad partisan front (A2) may produce a fuzzy intervention (B1), which in turn may affect local
Agencies’ comprehension of the intervention (C3a) or their willingness to carry it out (C3b). However, these hypothesized more complex influence patterns of influence are not spelled out in figure 1.

**Historical Background of the Intervention**

The first broad potential determinant concerns the historical background of the adopted intervention. Forces operating in the processes leading up to policy adoption may well explain why certain results will obtain in the field.

Four subfactors in the historical background of the intervention will be outlined here. The *direction of the decided change* may influence the outcome. If in line with previously pursued policies, the established intervention will be easier to implement than if it constitutes a redirection of or an outright break with earlier policies.

If a strong-willed political movement dominates the central government for a substantial period of time, implementing agents will become used to working with specific types of problems and solutions. If then an ideological shift occurs among those in power, the power wielders will discover that implementers are not easily swayed in the new direction. This adjustment inertia may develop into a major implementation obstacle.

The outcomes will probably be influenced by the *degree of support* for the intervention in connection with its original instigation or subsequent alterations. Programs inaugurated under partisan, corporatist, and administrative consensus are probably more easily translated into practical results than programs surrounded by conflicts. The force behind an intervention will be weaker, if conflicts exist. Conflict creates uncertainty about the future of the intervention, which will affect national agencies and other organizations in the implementation stage. Even intervention addressees may be influenced by top-level disagreement.

Implementation is connected with the *size of intended change*. The more the advertent change deviates from current conditions, the more difficult the implementation, ceteris paribus. Small, incremental reforms are more easily carried out than revolutionary transformations.

A fourth component of the larger historical background factor, which may exert influence in the result area of the intervention, is *symbolic politics*. Symbolic politics means that the reform has been inaugurated for other purposes than to attain substantive results. It might have been enacted also to facilitate or destroy government coalitions and other types of partisan cooperation, to satisfy party opinion and keep a party from falling apart or to win votes or at least minimize vote losses at the next election. A consequence of this may be that the political instigators of the reform do not devote enough energy on implementing it. That is, the symbolic purpose
might be served by the fact that an intervention decision has been taken and heralded as something important, and not necessarily that the decision is actually implemented. Another consequence is that agency officials, municipalities, low-level operators and other actors in the implementation game may perceive the symbolic content and devote less energy to substantive goal achievement than they otherwise would have done.

Now we will leave the historical background of the intervention and proceed to the second major factor of our public intervention results theory: that characteristics of the intervention as such may affect its results.

**Intervention Design**

We will address only one component of the intervention design factor, viz. intervention clarity. If the program is obscure, it will be difficult for agencies, municipalities and other implementers to form a clear picture of the policy-makers' intentions with the reform. A distinct intended result will then be impossible to pinpoint. Obscurity allows particularly officials but also addressees the discretion to make additions and subtractions to and clarifications of the intervention as originally conceived.

It is fruitful to distinguish between linguistic obscurity and several options for action. *Linguistic obscurity*, in turn, consists of either indeterminate words or unclear priorities. Indeterminate words involve ambiguity and vagueness. Unclear priorities imply that two or more goals are provided but without any indication of what the priority among them ought to be. In both cases, it is impossible to reveal the overall purpose of the intervention. Enforcement officials cannot decide through a neutral act of interpretation the purpose of the program or which goal should take precedence in competitive situations. This provides them with a broad latitude of discretion.

The *several-options-for-action obscurity* manifest itself when the program contains at least two options for action for implementing agencies. The main alternative may be that the implementers are expected to act in a certain way, but that it is not compulsory to do so but that they can do the other way around. Further on in the paper we will argue that the land stipulation program decision contained this kind of several-options-for-action obscurity.

**Implementation**

The third major group of determinants that may condition public policy results occur during implementation. In general, implementation is influenced by the comprehension, capability, and willingness of all actors involved in public policy execution (Lundquist 1987:76ff). In the land stipulation case, implementation involved a national government agency – the National Housing Board (*Bostadsstyrelsen*), later renamed the Board of
Housing, Building and Planning (Boverket) – regional administration – county housing boards (länsbostadsnämnder) – and local administration – municipalities, or to be more specific, the municipal council (kommunfullmäktige), the municipal executive board (kommunstyrelsen), the Real Estate Commission (fastighetsnämnden), and the Real Estate Office (fastighetskontoret).

Municipalities in particular were presumed to play a crucial role. It is little surprising that the implementation was organized in this fashion, since 70–80 per cent of the total activity of the Swedish municipalities is said to be regulated by special jurisdiction, i.e. imposed by national government authorities. The Swedish Association of Local Authorities – the trade association of the Swedish municipalities (Kommunförbundet) – should also be mentioned in this context. The comprehension, capability and willingness of the municipalities might then influence the outcome of the policy instrument. Therefore, the main emphasis of the present article will be on the actions of the municipalities. With an approach picked up from organizational theory, we will investigate if the organization of the implementation – through the municipalities – has affected the results.

Deficient comprehension of the national program in the municipalities might affect the program results. If the municipalities did not comprehend the meaning of the national policy instrument, they would not be able to apply it.

The administrative capability of the municipalities to take the desired measures might foster the results. Capability means resources. With insufficient funds, the municipalities cannot hire enough staff to process applications for economic support, to control if economic support has been used in the promised fashion or more generally evaluate the effects of the economic support. Also, there may be a lack of personnel and other non-monetary resources. The search for people with proper educational background may take time. Sometimes personnel must be trained. All this means that time elapses and implementation is delayed. The same reasoning is applicable to regulation and information as well.

So far, we have been concerned with administrative resources for the handling of applications. However, in the land stipulation case, resources in another sense are probably crucial: funds to buy the land required for allocation to housing constructors. The availability of such monetary resources must reasonably affect the land release activity.

The administrative willingness of the municipal organization may also impact upon the result. One theory in public administration research claims that civil servants and other implementers may pursue their self-interests, which deviates from the public interest. Public bureaucracies have agendas of their own which may conflict with the faithful execution of the principal’s directives and recommendations. Government agencies and proxies for
government agencies strive to expand or at least survive and this takes precedence over the public interest. This approach is characteristic for the public choice school.

A somewhat milder variation on the administrative-willingness theme is that civil servants may be enthusiastic about or harbor doubts about the appropriateness of the policy itself. A cool or abjectly negative attitude to the intervention in the implementing agency may affect the implementation.

**Addressee Response**

A fourth major determinant is addressee response. Strictly speaking, I will distinguish between immediate addressees, who are building commissioners, and final addressees (final recipients), who are the local residents. But since the local residents never enter the game around the implementation of land stipulation, I will consequently regard building commissioners as addressees (cf. Vedung 1993: figure 5.6).

The general reasoning about comprehension, capability and willingness can be applied also to the addressee response. We will particularly investigate the willingness aspect. The addressees might resort to evasive behavior. An example of this would be if the building contractors (*byggfirmaer*), in order to avoid the land stipulation, started to build other structures than dwellings, e.g. offices, or if they moved their production activity abroad. They might begin to finance their housing production on the open market and not via the national loan system. For we have to keep in mind that the issue concerns an economic policy instrument, and therefore the building commissioners are not formally obliged to produce housing with national loans.

**Other Policy Instruments**

A fifth broad group of contingencies, which may determine policy outcomes, is other public policy instruments. The state is not a unitary actor with one and only one clearly expressed will. Sometimes one intervention is supported by another, enhancing the governing force and creating synergies. In other situations policy instruments counteract each other. A classic example of this in Sweden is the policy towards the remaining wild rivers, where the national government via the State Power Board wants to exploit them for hydroelectric development, and via the Environmental Protection Agency wants to save them from development.

The land stipulation requisite in the state housing loan system was only one of a multi-faceted network of policy instruments, which the national Swedish government had inaugurated over the years to attain the national housing policy aims. Changes in housing costs, for instance, might
be traced to six other tools of governance. The changes might be due to other prerequisites in the state Housing Financing Ordinance. For instance, there was a clause on production cost assessment (produktionskostnadsprövning) which aimed at forcing the property prices down just like the land stipulation (see Vedung 1993: figure 5.2 for a display) and it might have been that economic instrument, that carrot, which influenced. The results may perhaps also be derived from four completely different interventions in the large housing policy sector, four regulations, sticks. It was the expropriation legislation, the Right of Preemption Law (förköpslagen), the governance possibility via the municipal planning monopoly (kommunala planmonopolet) in the building legislation, and the Housing Supply Law (bostadsförsörjningslagen). In this context, we will devote particular attention to the role played by the development contracts (exploateringsavtal), grounded formally in the planning monopoly, granted in 1947 to municipalities in the Building Law (later Planning and Building Law), relative to the land stipulation clause. Tax policy instruments will apparently also have an effect on the development. A conglomerate of policy instruments existed consisting of a number of regulations and a large economic housing loan program with several requisites attached to it, of which the land stipulation was one and the clause on production cost assessment another.

**Other Environments**
The last major potential determinant in the general theory of public intervention results is called *other environments*. Other environments comprise circumstances outside the factors C: Implementation, D: Addressees, and E: Other policy instruments.

Changes may occur in the intervention’s other environments which weaken or strengthen the steering capacity of the implementing agents. Several observers have generally pushed the thesis that only a very small part of the society’s development may be traced back to public sector decisions and actions. The conscious attempts of political actors to change society are doomed to be futile considering the more dominating role of the structural conditions. “Plus ça change, plus c’est la même chose.” Others have emphasized the enormous influence of the state.

Other environments include conditions inside as well as outside the country in question: a war may break out, prices may rise heavily or an opinion storm may sweep across the world.

After this brief presentation of the scheme of analysis, it is time to explain what actually happened in the municipalities. What explains the enigma of the land stipulation? Why was there an historical irony?
What Explains the Enigmatic Irony?
Several factors indicated that the land stipulation would trigger an increase in housing produced on land allocated by the municipalities.

The program was entirely congruent with the main thrust of earlier social housing policy (Factor A1: Historical background of the intervention, Direction of change in Figure 1 above). When the land stipulation was introduced, the Social Democrats alone or in coalition had been in power for 42 years. No party in any other democratic country could exhibit a similar success series.

The stipulation was in line with the housing and land policies which the party had pursued at least since World War II and which had been concerned with the strengthening of the public sector, particularly the municipalities, at the expense of the role of individual ownership. Therefore, it was improbable that the application of the economic instrument would run into bureaucratic red tape because the implementers would regard it as something entirely untested and strange.

The economic instrument enjoyed an unusually strong national political party support during its first twelve years of existence and a comfortable majority support during the remaining four years up until it was abolished in 1991 (Factor A2: Historical background of the intervention, Support in Figure 1 above). It was introduced by a four-party front consisting of the Socialist bloc plus the middle parties (mittenpartierna). Of the traditional five Swedish parties, only the Moderate Unity party (Moderata samlingspartiet) offered resistance. The constellation of Left Party Communists (Vänsterpartiet kommunisterna) plus Social Democrats plus Center Party (Centernpartiet) plus People’s Party (Folkpartiet)—Moderate Unity Party was behind the land stipulation. This broad four-party entente existed until 1987, when the middle parties went over to the right-wing position and began to demand abolition. This created the constellation Left Party Communists plus Social Democrats—Center Party plus People’s Party plus Moderate Unity in support of the land stipulation. Since the Environment Party (Miljöpartiet de gröna) united with the Socialist bloc in defense of the land stipulation after this sixth party first entered into Parliament as a consequence of the 1988 national election, the intervention came to retain a relatively strong national political backing until after the elections in 1991, when it was abolished by the new Non-socialist four-party government with the support of the other newcomer, the New Democracy Party (Ny demokrati). The constellation when the land stipulation was abolished in 1991 was Moderate Unity Party plus People’s Party plus Center Party plus Christian Democratic Party (Kristdemokraterna) plus New Democracy Party in favor of abolition against the Social Democrats plus the Left Party Communists who wanted to retain the stipulation.

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3 Swedes often imagine that the major cleavage in their hereditary five-party system is and was the Socialist–Non-socialist conflict dimension. The Moderates (Conservatives, m), the People's Party (liberals, fp) and the Center Party (the farmers' unionists, c) stood against the Social Democrats (s) and the Left Party Communists
To sum up, the party constellations on the land stipulation issue in the Swedish parliament were the following:

1974–1987
Basically in favor of the land stipulation: Left Party Communists plus Social Democrats plus Center Party plus People’s Party
Basically against the land stipulation: Moderate Unity Party

1987–1988
Basically in favor of the land stipulation: Left Party Communists plus Social Democrats
Basically against the land stipulation: Center Party plus People’s Party plus Moderate Unity Party

1988–1991
Basically in favor of the land stipulation: Left Party Communists plus Social Democrats plus Environment Party
Basically against the land stipulation: Center Party plus People’s Party plus Moderate Unity Party

1991 October
Basically against the land stipulation:
Moderate Unity Party plus People’s Party plus Center Party plus Christian Democratic Party plus New Democracy Party
Basically in favor of the land stipulation: Social Democrats plus Left Party Communists.

Furthermore, the goals of the economic instrument were little more than a codification of current practices (factor A3: Historical background of the intervention, Size of change in Figure 1 above). Already when the land stipulation was adopted, the municipalities allotted the greater part of the land for residence construction, on the average approximately 80%. Now this old commitment should be enlarged. The goal seemed to be very realistic.

Moreover, factors on the addressee side (D: Addressees) indicated that allotment by municipalities of land for residence construction would increase. Tied to the national program of subsidized housing loans, municipal land release would probably be accepted by the building commissioners and lead to result achievement. It was the building commissioners who were expected to take the initiative and apply for national housing loans. A building commissioner who tried to build and manage, for instance, multi-dwelling residences without subsidized government loans would not be able

(vpki). But there were, and there are, other basic conflict dimensions in the Swedish party system than the Left–Right dimension. The growth–ecology dimension, or the green environment dimension, is one (see e.g. Oscarsson 1998:3 ff, for a summary). I for one have found that the four-party front against the Moderates has been the common pattern since 1950 in issues concerning national policy for social planning and housing construction (see Vedung 1998c). This constellation with the Moderates alone against the others still exists in 1998 (Bengtsson 1998, section about housing as a social right).
to charge rents that covered costs because of the principles for rent setting in Sweden. Tenants did not pay market rents in Sweden. According to the celebrated so-called Use Value Principle (bruksvärdeprincipen), which was the base for rent setting, the rents of the municipally owned and managed public housing companies were supposed to guide rent setting also in non-public dwellings. The public housing companies could keep lower-than-market rents due to the national loan system, which was particularly advantageous to them. This made it difficult for individual building commissioners and private or cooperative housing management companies to raise money in the open market for housing production and cover their costs via rents.

Therefore, many construction companies would probably sell their land possessions and instead get the land allocated by the municipality.

All of the so far mentioned factors, according to policy results research, point toward goal achievement.

Of course, we cannot expect that municipalities and building commissioners should be promptly stimulated by the land stipulation like the electric bulb reacts on the switch. A new order linked to an economic governance program hardly ever penetrates completely on the field since participation in the intervention is voluntary. Neither will the effect be immediately evident, because transition rules and inertiae always exist. In spite of this, there is reason to presume that the municipalities after 1974 to a greater extent than before would have allocated land on which residences would be constructed. What is it then that explains that the municipal housing land allocation decreased between 1972 and 1990?

**Diminished Housing Production?**
The explanation might be a change in the target area (F2: Other Environments, Changes in target area in Figure 1 above): housing production in general decreased from the beginning of the 1970s after the enormous expansion in the late 1960s. The housing production in Sweden decreased substantially from the record year 1970 to 1985 to increase again up to 1990. This change in the target area of the program does not, however, explain anything. For even though total housing production in the country decreased, the share of housing production on land allocated by municipalities compared to housing production on land not so allocated decreased even more.

**Increased Share of Single, Detached Houses?**
The fact that the share of single, detached houses (styckebyggda småhus) increased during the investigation period must have played a role, one would assume (F2: Other Environments, Changes in target area in Figure 1 above). These houses are
spread-out on the urban fringe or in the countryside, outside of urban housing renewal areas (saneringsområden) as well as of exploitation areas for new housing (exploateringsområden), and the land stipulation was not valid there. But neither this change in the target area is capable of explaining the historic irony for the simple reason that single, detached houses have already been cleaned away from the statistical series of the Board of Housing, Building and Planning. Available figures show that the share of housing production, single, detached houses excluded, on land allocated by municipalities relative to total housing production, single, detached houses excluded, decreased.

Evasive Addressee Response?
Another possible explanation is evasive addressee response (D: Addressees in figure 1). The end receivers of the policy instrument – the building commissioners – have maybe stopped using the national housing financing system in order to circumvent the land stipulation. The central government, of course, never forced building commissioners to borrow housing construction money from the state. They were allowed and recommended to take advantage of state loans and in that case comply with the requisite that the housing land must be released by the municipalities. But they also retained the option of borrowing money in the open market and thereby evade the land stipulation attached to the state loan system. In other words, the building commissioners had a choice.

Economic policy instruments do not force the addressees to take the measures involved; the targets may take them but they may also abstain. Now, it might have been the case that the national housing financing system with the land stipulation attached to it was regarded as so disadvantageous that building companies with land possessions of their own chose not to take advantage of it. There may also have been a general, anti-socialist motivation for evasive behavior. Construction companies, who would like to act as building commissioners, may have abstained from using the state financing system because they did not want to acquiesce with the fact that a part of the building process, land allocation, was municipalized. Repudiation of the loan system could be interpreted as a political boycott. This seems even more reasonable as the trade organization of the building companies, the Swedish Construction Federation, from the beginning strongly disapproved of the land stipulation (Vedung 1993, ch. 1).

The suspicion of evasive addressee response, however, does not hold tight. The share of state financed housing production increased after the introduction of the land stipulation. The national housing financing system strengthened its position between 1970 and 1991. Far from avoiding the state subsidized housing loans after the land stipulation was introduced, the building commissioners used them more eagerly.
This finding is puzzling since the share of land supplied by municipalities decreased at the same time.

In conclusion, efforts notwithstanding, we have still not been able to come up with a reasonable explanation why Swedish housing production on land allocated to building commissioners by municipalities decreased instead of increased during the period the land stipulation existed. Why this ironic implementation deficit? We will now continue our search for a probable explanation at the local administrative level (C3: Implementation, Local actors in Figure 1 above).

Could it possibly be so that the municipalities did not bother to use the land stipulation in their decision-making on national loans? Implementation literature is replete with cases of local implementers not complying with national governance measures. But if that was the case, how could the municipalities justify such an apparent deviation from what the central government wanted and urged them to do?

**Did the Municipalities Comprehend, and Were They Willing?**

Three basic implementation requisites have to be fulfilled for a central public intervention to bring about the desired effect. The local administration – in our case the municipalities – must comprehend, be willing, and be capable (Factors C1, C2, C3 in Figure 1). Local implementers must comprehend, i.e. be aware of the program’s existence and understand its implications. They must be capable, in the sense of possessing resources with regard to time, personnel, money and competence to perform the desired actions. They must also be willing to comply. Is the explanation of the enigmatic irony that the municipalities did not comprehend, were not capable or were unwilling?

In spite of its humble name, the land stipulation was an impenetrable jungle of main rules, exceptions (*undantag*), exemptions (*dispenser*) and provisional clauses. I have compared it to a piece of filigree-work (Vedung 1993:131 ff). What is more, the rules were changed time and again. In the beginning of the 1980’s, the land stipulation was successively undermined by the Non-socialist parliamentary majority. In 1981 building in urban renewal areas was entirely exempted from the stipulation. For single detached houses, the stipulation was suspended temporarily. One year later, this provisional suspension was prolonged. When the Social Democrats regained power in 1982, the land stipulation was once again introduced for housing construction in urban renewal areas, but at the same time the possibilities for exemption were enlarged. The temporary exception for single, detached houses was prolonged until the turn of the financial year 1985. This temporary exception was later prolonged until 1987, then until 1989 and finally until 1990 (Vedung 1993:ch 5).

The inherent trickiness and the repeated changes to and fro of the strings...
part of the economic instrument might have created *comprehension problems* in the municipalities. Yet, nothing in the large data material available indicates that the requisite remained a paper tiger due to local ignorance. Municipal politicians as well as municipal administrators were well aware of the existence of the land stipulation and realized its signification.

The municipalities thus have comprehended. But what about their *willingness*? From general knowledge of Socialist and Non-socialist political values, we may deduce the hypothesis that Socialist majorities are more inclined to pursue an active municipal housing land policy than Non-socialist majorities.

It seems like political values have been important. However, they cannot explain the ironic fact that the municipal housing land allocation to those who received state housing loans decreased instead of increased. For there was no shift towards the Non-socialist parties in the electorate or in the municipal elections during the 1974–1991 period. On the contrary, the Socialist bloc gained votes and seats in the 1980s parallel to the decrease in municipal housing land release. The hypothesis that Socialist or Non-socialist political majorities in the municipalities make a difference is falsified by available empirical material.

*Were the Municipalities Capable?*

Neither is the explanation of the decline of the municipal share of the housing land allocations that the municipalities have lacked *administrative resources* to implement the land stipulation part of the housing financing system. It is true that the municipal work load increased a little due to the land stipulation, but this does not explain why the share of municipally transferred land decreased.

As for *financial resources* to acquire the land to be transferred to the loan applicants, the situation is different from that of the administrative resources. Not that shortage of funds hindered acquisition of undeveloped land areas for development of new residential construction and townships. However, the municipalities were not able to buy necessary land for housing renewal in already built-up districts. This incapacity was unequivocally connected to a structural change in building construction. Demolition, rebuilding, new construction and enlarging in elder, densely built-up areas suddenly gained importance. Factor C3b: Implementation, Local actors, Capability was connected to Factor F2: Other environments, Changes in target area.

A significant redirection of housing production took place during the sixteen years following 1974. New housing production in previously undeveloped areas (*exploateringsområden*) decreased in relative terms while reconstruction and new housing production in urban renewal areas (*sanerings-*
områden) increased correspondingly. In previously undeveloped areas at the city outskirts, residences were built on housing land that was much cheaper than housing land in urban renewal areas. Can this land price difference explain the irony of the municipal land allocation?

Exception as the Rule: The Exemption Option
In order to understand what really happened in the local territories, we have to return to the starting point, to the 1974 program decision. Already at the outset, the parliament's decision contained a clear ambiguity (Factor B1: Intervention design, Clarity, Several options for action). The main principle was that the municipalities should allocate the land to those building commissioners who wanted to receive national housing loans. But building commissioners could also get national housing loans although the municipalities had not allocated the land to them. The land stipulation requisite was predicated on the fox den principle, with one main and one emergency exit.

Already the Social Democratic minority government bill and even more so the Parliament's intervention decision 1974, made possible through a compromise between the Social Democrats and middle parties in the pertinent standing parliamentary committee, outlined the possibility that the municipalities might suggest exemption from the land stipulation clause in urban renewal areas and that this would suffice for the superior controlling authority to approve. This meant that building commissioners would be granted national loans although the land where the dwellings were to be erected was not released by municipal authorities. The exemption option existed also for urban renewal areas, but up till 1983 “strong reasons” were in addition required for the municipality's exemption recommendation to be approved of by the superior authority. However, the “strong-reasons” requisite was abolished in 1983, which meant that building commissioners might be granted exemption from the land stipulation, if municipalities so recommended.

A closer look at the material shows that the fox den feature of the intervention itself explains why the share of land transferred by municipalities decreased. By granting exemption, the municipalities recommended that the building commissioners should get state loans for housing construction although they planned to build on land acquired from private and other nonmunicipal owners. What in rhetoric was held to be only an exception with time and in practice developed into the rule. Exemption, i.e. exception from the main rule that municipalities should allocate the housing land, became the common option. “Exception as the rule” became the guiding principle for the Swedish municipalities in their application of the land stipulation. The use of the exemption option in turn was to some extent
due to new dwelling production in urban renewal areas rising heavily and municipalities having financial problems to purchase land there.

At this point we might put the somewhat bold question if the increased urban renewal activity was triggered by the land stipulation. The building commissioners of course knew that exemptions could be granted, if they engaged in urban renewal. Did this insight make them more prone to produce housing in urban renewal areas as compared to previously undeveloped areas? Is it this evasive behavior which gave rise to the enigmatic irony of the land stipulation (D: Addressees)?

The answer is no. The tendency towards reconstruction in urban housing renewal areas was the same all over the country and it started before the land stipulation was introduced. The land stipulation did not trigger an increase of housing production in urban renewal areas. On the contrary, it is natural with a period of condensation and urban renewal of built-up areas after the gigantic new housing production period on undeveloped land areas during the 1965–1974 “Million Program”.

The fact remains that municipalities to a large extent did choose to recommend exemption from the land stipulation and advocate higher authorities to grant national loans to building commissioners although the municipality did not allocate the housing land. The emergency exit became the main one, the exception turned into the rule.

By now it should be clear to the reader that the economic policy instrument under investigation allowed the municipalities to use the housing land stipulation in two very different ways: municipal allocation of land or exemption from this main rule engendering no municipal allocation of land. If municipalities preferred the exemption option, another two roads lay open to them: exemption on conditions, and exemption with no conditions. It was legal for the municipalities to commend exemption as a matter of routine without at all conducting a land stipulation assessment of the loan application. But they could also conduct a land stipulation assessment of the loan application and endorse exemption but on certain specified conditions which they might decide upon themselves.

Unconditional Exemptions from the Land Stipulation

The majority of the more than 100 municipalities, which have been examined by various authors, recommended exemption as a matter of routine without any specific land stipulation assessment. In 1991, the National Board of Housing, Building and Planning found that 75% of the 75 municipalities who replied to its questionnaire recommended exemption with no conditions attached. Interestingly enough, however, this did not mean that the municipalities passively left the land distribution issue to be determined by the market forces. On the contrary, they actively attempted to influence the develop-
ment but by resorting to other, more seasoned policy instruments which the national parliament had provided.

In implementation research, studies restricting themselves to the implementation of one single public governance system are often criticized for narrowness of scope. In such studies, researchers run the risk of disregarding the interplay of several public governance systems in the implementation stage. Therefore, in my inquiry into the workings of the land stipulation I tried to bring out the interaction at the local level of several national governance programs (Factor E: Other policy instruments).

During the period investigated, the Uppsala municipality, for instance, used two other policy instruments to put pressure on land developers and building commissioners. The one was a regulation, the other an economic instrument.

The regulation was the planning and building legislation system which enabled the municipalities to conclude development contracts with building contractors cum building commissioners. This regulation might work in the following manner. A building contractor might hand in a request for getting a land area, which he owns, town planned. In the negotiation which might be initiated, the municipality might declare itself willing to town plan the land but on certain conditions. Since the contractor often wanted to use his development rights and the only possibility to do this was that the municipality would town plan the area, he might agree, in most cases, to the municipal conditions. Contractors in such negotiations with the municipality’s real estate office might accept to lay out, for instance, streets and streetlighting, public water and sewage installations, parks, playgrounds, foot and bicycle paths, and noise barriers. When the building commissioner/contractor later submitted an application for a national housing loan, exemption from the land stipulation would automatically be commended and granted, since the land issues already had been solved via the town-planning institute in the planning and building legislation system.

In this way, the municipal authorities might have their will without using the land stipulation clause in the Housing Financing Ordinance. There was no need for the land stipulation. The land stipulation could be redundant, superfluous. The municipality might influence the building contractors without having to use the cumbersome land allocation option.

It should be noted that decision-making according to the planning and building legislation system in such cases deviated from the pure rule application, which is regarded as the decisive mark of a classic bureaucracy. In an ideal bureaucracy, decision-makers subsume individual cases under general criteria. The clarity of the general criteria and the neutral handling by the administration guarantee that similar cases are similarly treated. But local decisions according to the Swedish planning and building
legislation often take the form of negotiations between the municipality and the property owner. Public administration in these cases does not imply strict rule application but rather the give-and-take of a negotiation procedure.

The economic policy instrument was another stipulation in the Housing Financing Ordinance, namely its clause on total production cost assessment. This economic policy instrument functioned in the following manner. In the city of Uppsala, but also in other Swedish municipalities during the 1974–1991 period investigated here, the processing of housing loan applications included a so-called total housing production cost assessment, prescribed in the Housing Financing Ordinance. This total production cost assessment also included a land price assessment. This meant that a land price assessment could be carried out by the municipalities without using the land stipulation clause. For municipalities that really wanted to exert price controls over housing land, the land stipulation was redundant. The municipality would have its day without using the land stipulation, in this case by using another stipulation in the Housing Financing Ordinance instead.

The situation in the Umeå municipality concerning the land stipulation did not differ substantially from that in Uppsala. In development areas the land stipulation did not produce the slightest effect. 99% of all residential production took place on municipally owned or municipally supplied land already in the 1960's, way before the land stipulation was introduced in 1974. This tendency has then lasted. The municipal allocation of housing land, which the land stipulation requisite in the Housing Financing Ordinance was intended to promote, already existed in Umeå long before the requisite was introduced. The inclusion of a residential land stipulation clause in the state housing financing program did not imply the slightest change in the active land policy of the Umeå municipality.

Out in the villages and a few times in the downtown area as well, residential development occurred on privately owned land allocated to the owner by other private owners. However, construction was undertaken according to development contracts between the Umeå Real Estate Office and the developer, as in Uppsala. In Umeå, the point with the development contracts was that landowners should build dwellings on the same economic conditions as if the municipality had allocated the land. The legal basis for the development contracts is, as previously mentioned, the prescriptions on the municipal planning monopoly in the Building Law, a typical regulation, and has nothing to do with the land stipulation clause in the Housing Financing Ordinance, a typical economic policy instrument. The explanation why the land stipulation was not being applied according to its main principle in these cases was thus that the same effect was achieved by means of another governance system, viz. the planning monopoly in the
building legislation – a regulation – together with the fact that it was possible for municipalities to recommend exemption from the land stipulation.

In urban housing renewal areas, the situation was somewhat different, since the Umeå municipality did not own land to the same extent there as in previously undeveloped areas. Where the municipality itself was in the process of creating larger urban renewal areas, it opted for the purchase of the land and then the transfer of it, mainly to the public housing company of Stiftelsen Bostaden or to the co-operative tenure (tenant-ownership, bostadsrätt) organizations HSB and Riksbyggen.

In the cases where the Umeå municipality was not interested, the demolition and rebuilding issue was most often brought up on the agenda pursuant to the Right of Preemption Law. If it was clear that the municipality would not exert its prerogative to purchase the land, the municipal real estate office communicated this to the contracting parties. At the same time, the civil servants informed the prospective purchaser about what rules that applied for the national housing loans and what town planning conditions existed, so that she would not run into trouble when later she would submit her application for a building permit and a national housing loan. In this connection, it was also emphasized that the land acquisition at stake must be effected at a price that was normal for the neighborhood. The advancement of this requirement was grounded in the production cost requisite in the Housing Financing Ordinance.

Often the building contractor knew about the municipality's policy and complied without asking questions. In some cases negotiations aiming at changes in the town plan would occur. The contractors demanded a higher degree of development than presupposed in the plan. They wanted to erect more and larger buildings in order to get housing production profitable. These negotiations sometimes led to modifications of the town plan.

The important thing was that possible knots were disentangled in these negotiations between the municipal civil servants and the building commissioners before it was time for the latter to submit their applications for national loans. The discussions were conducted in a spirit of mutual trust. The system had existed for so long that a culture had been developed in the municipality amounting to the building commissioners trustfully acting as the municipality wanted. The key word is probably trust. The building commissioners and the municipal administrators trusted each other. The matter was facilitated because for all practical purposes there were only three building commissioners – Stiftelsen Bostaden, owned by the Umeå municipality, and HSB and Riksbyggen, two owner-occupied companies – and, thanks to a municipal master decision, these shared the land allocations according to the formula 50 % to the publicly owned institution and 25 % each to HSB and Riksbyggen. Since the land issue was
settled before it was time for land stipulation assessment, exemption from the
land stipulation was granted as a matter of routine.

Organization research has for a long time paid attention to the influence of
the esprit de corps, norms, values, and cultures on organizational activities and
actions (Bakka & Fivelsdal 1993:106ff. Our Umeå case illustrates how this
collective mental programming may have an effect.

The culture of mutual respect and trust which existed in Umeå in the
interactions between the city Real Estate Office and the few building
commissioners thanks to the fact that the rules of the game had been kept
unchanged for a long period of time, makes one think of a municipal consensus
complex. The only part that the land stipulation clause played in these local
decisions was that the Real Estate Office early on informed about the
stipulation’s existence and meaning and later on, when the loan application was
submitted, routinely recommended exemption with no strings attached.

In an implementation theory perspective, instead of the land stipulation
requisite other state programs or parts of thereof were de facto employed by the
municipalities to influence the housing market (Factor E: Other policy
instruments in figure 1 above). Among these other policy instruments four were
regulations: the municipal planning monopoly according to the Building Law
(later Planning and Building Law), the development contracts also grounded in
the Building Law, the Right of Preemption Law, and the Housing Supply Law.
Also, two economic policy instruments were involved. The general tax policy
must have exerted some influence. First and foremost, however, another
requisite in the Housing Financing Ordinance besides the land stipulation was
used, namely the clause that a production cost assessment should be performed
during the processing of applications for government loans. The use of the other
six instruments was made possible by the fact that the investigated policy
instrument in itself – the land stipulation clause in the Housing Financing
Ordinance – contained exemption rules – factor B: Intervention design, Clarity,
Several options for action in figure 1.

The express purpose of the land stipulation clause was to increase municipal
allotment of housing land. But instead municipal allotment actually decreased.
This I have construed as an enigmatic irony, a paradox worth pondering and
explaining. By now part of the explanation should be obvious. The
municipalities gradually realized that there was no need for them to use the
rather cumbersome land stipulation; they could manage without this economic
policy instrument. But this does not mean that their influence on the housing
market decreased. The municipalities exerted influence through the use of other
economic policy instruments than the land stipulation.
Conditioned Exemptions from the Land Stipulation
Even those cases where the municipalities did not recommend exemption automatically but on certain conditions are of considerable interest from an implementation theory point of view. These conditions were developed and decided upon by each municipality. These provisos varied from municipality to municipality, a fact that shows that program implementation is not something mechanical and machine-like but something active, creative and developing. Each local administration made its own additions, which the original national policymakers did not foresee. This demonstrates that Swedish local government makes a difference, also within the area regulated by national special legislation. The conditions for exemption have, among other things, involved requirements on the size of the purchase price of the pertinent land, requirements on the planned building, on the environment of the building and on municipal distribution of apartments in the finished buildings together with prerequisites concerning sales price on houses and flats. The conditions have thus resulted in municipal land price control but have also come to encompass a number of other characteristics like the appearance and external surroundings of buildings.

Conditional Exemptions in Stockholm: Technical Complexity
The lodestar for the exemption policy in Stockholm was conditional exemptions. The Stockholm case, intensively studied in the research project, shows clearly how the city administration made additions to the general national policy and adapted it to local circumstances. Local implementation in this case was not a neutral, puppet-like application of a nationally decided and promulgated governance system but an inherently political adjustment process.

A striking feature of the Stockholm exemption policy was its tremendously technical complexity. Its most important trait was a list of acceptable housing land and property prices calculated by administrators in the city’s Real Estate Office. In order to obtain exemption from the municipal land allocation clause, the price which the building commissioner, who was applying for a state loan, paid when he acquired the property, must not be unacceptably high according to the price list. This list of acceptable purchase-sums was regularly reassessed and re-calculated. This required considerable technical efforts for the collection of statistics, calculation of actual transfer prices and determination of levels of acceptable transfer prices. In sum, the implementation of the national economic policy instrument became a highly technical and complicated matter in the city of Stockholm.
Conditional Exemptions in Stockholm: Partisan Conflicts Socialists–Nonsocialists
But the technical complexity is still not a manifestation of “the end of ideology”, to allude to Herbert Tingsten (1966:22f). It is not a case of “a development from politics to public administration, from principles to techniques”.

On the contrary, the Stockholm policy of conditional exemptions was an arena for controversy among the political parties in the Real Estate Commission. The disputes concerned the principles for the calculation of transfer prices, the level of acceptable transfer prices and the question if the municipality at all should employ purchase-price examination in connection with exemptions. The frontier line went between the Non-socialists and the Socialists. The Non-socialists acted as a united bloc in the Real Estate Commission against the Social Democrats (s) and the Left Party Communists (vpk). The major constellation at the national level – the four-party front against the Moderate Unity Party – did not exist at the city level in Stockholm. The national level saw the party constellation vpk plus s plus c plus fp—m, the city level in Stockholm vpk plus s—c plus fp plus m.

The partisan controversies surfaced at low-level arenas in the capital city machinery. The conflicts erupted in the Real Estate Commission but were never brought up to the Executive Board or the City Council.

Conditional Exemptions in Stockholm: Administrative Conflicts
The implementation of the land stipulation in Stockholm also led to conflicts between city administrative offices (kontor) with no political parties involved. On one occasion, the City Legal Advisor maintained one opinion, the Real Estate Office another. Incidentally the conflict concerned a classic problem in public administration theory: legal equity versus efficiency. Also these administrative controversies occur at lower levels, in the Real Estate Commission and between administrative offices but neither in the Executive Board nor the City Council. Above all, the Real Estate Commission, the Real Estate Office and to some extent the City Legal Adviser formed the exemption policy.

Conditional Exemptions in Stockholm: Negotiated Economy and Municipal Price Controls
A fourth general observation is that the implementation of the land stipulation via exemptions exhibited strong features of a negotiated economy. The
exemption processes in Stockholm developed into protracted negotiations between the representatives of the municipality on one hand and the building commissioners on the other. The same phenomenon existed in Uppsala during the examined time period, but there in connection with the decision-making process according to the Building Law (later Planning and Building Law). In Umeå, on the other hand, negotiations seldom took place because the building commissioners gave way to the desires of the municipality through anticipation.

A fifth and last general observation is that in Stockholm the land stipulation clause contributed to the development of a municipal system of real estate price controls. The land stipulation assessment in conjunction with the processing of housing loan applications boiled down to a scrutiny by the Real Estate Office and the Real Estate Commission of property prices in connection with the granting of national loans. Property prices were set by the municipality, not by supply and demand in the market.

The Key to the Enigmatic Irony: Goal Achievement Through Other Means

The explicit aim of the 1974 Swedish land stipulation clause was to increase municipal allotment of housing land, but instead municipal allotment actually decreased. This is the enigma or irony which I have set out to explain the article. It is now time to summarize the findings.

Part of the explanation is the fact that exemptions were granted to a larger and larger extent. However, this did not imply land policy passivity on the part of the municipalities. On the contrary, they sought to influence the development but by means of other nationally instituted governance systems than the land stipulation. In order to impose their will on the land owners, they used the municipal planning monopoly prerogative to make plans, granted in the Planning and Building Law, development contracts grounded in the same prerogative in the Planning and Building Law, the Right of Preemption Law, and the production cost clause in the Housing Financing Ordinance (SFS 1974:946,16). In addition, larger municipalities in particular also adopted a system of conditions for the granting of exemption from the land stipulation clause.

What enabled the municipalities to grant exemptions from the clause was that the clause itself provided this opportunity. The intervention contained a clear ambiguity. It was constructed like a fox-burrow with a main entrance and a back door. This in turn was due to the political situation at the establishment of the land stipulation in 1974.

The reason for the decrease of municipal supply of housing land between 1974-1991 seems to have been that those municipalities who so desired could have their will vis-à-vis the building commissioners and
achieve their goals without using the land stipulation clause according to its main rule. What is an irony and a totally opposite result at one point in the implementation chain leads, in the next step, to goal achievement. Our irony is a paradox but the real irony is that it led to goal achievement.

The Party Strategy Background of the Intervention
The political situation at the establishment of national interventions and policy instruments is often neglected by evaluators and public administration researchers when effects are studied (factor A: Historical background of the intervention). The consequences are examined as if national political conflicts and oppositions did not matter. But the establishment at the national level may influence the results in the municipal territory. In the case of the land stipulation, this connection between establishment on the national level and the result locally or for the country as a whole is evident. The parliamentary situation in 1974 was such that the Social Democratic minority government – even if it wanted to – could not establish a strong land stipulation without exceptions but had to seek political support with the middle parties. In doing so, it hoped to push through as much as possible of the substance at the same time as it wanted to split up the Non-socialist parties and prevent the emergence of a more solid Non-socialist bloc formation. It succeeded with its intentions. The immediate price for the compromise was that the exemption option in the land stipulation clause was elucidated and made clearer.

In other words, the establishment of the economic instrument at the national level in 1974 was decided not only by issue-oriented motives but party strategy deliberations as well. Were these party strategy considerations successful? Yes, in the sense that the four-party front on the land stipulation issue remained until the spring of 1987.

All this was in turn a consequence of a large institutional change in Swedish politics: the 1970 single-chamber reform and the new election order. This reform swept away a small but important part of the foundation for the Social Democrat's earlier power base by eliminating the backlog to the First Chamber. The Social Democrats found themselves in a clear minority position in the new parliament. When the land stipulation was introduced, there was even a state of equilibrium, 175–175, between the two blocs in the parliament.

Institutional changes on the national level (single-chamber reform, new election order) lead to changes in interparty strength in Parliament (seat distribution) that affects decisions about national interventions (land stipulation), which in turn have repercussions on the results in the municipal territories (municipal land allocation).
The Irony of History or the Exception that Turned into the Rule

The examination of the implementation of the Swedish land stipulation requisite in the Housing Financing Ordinance is brought to an end. What the piecemeal social engineers at the national level originally intended to be exceptions turned out to be the rule in the local territories.

Why is such a policy instrument tolerated where exceptions turn into the rule? There may be several motives. One answer is the obvious conclusion from our inquiry: exception as the rule is accepted if, in spite of exceptions, the same practical results further on in the chain of implementation is achieved as the general rule was intended to do. In the land stipulation case, those municipalities that wanted to exert influence on residential development, did so by attaching conditions to their recommendations for exemption. And those who did not attach any conditions, governed the house building development in their territories by using other, alternative regulatory or economic policy instruments.

Lurking in the background, there might be another, more sophisticated motivation. Policy instruments are much more than instrumental means to achieve desired ends. Some policy instruments are highly valued for their symbolic content, even if they are rarely applied according to the main rule. They may give the correct ideological signal. They may contain code words, which unite and raise the morale. The goal of the 1974 land stipulation clause was to increase municipal influence over housing land in order to mitigate private speculation in land and land prices. The goals was about increasing public influence and reducing the power of construction capital.

For the Social Democrats, consequently, the land stipulation probably also worked as something of a clarion call, a symbol of the ideological identity of the party and its political ambitions for the future.

Exception turning into the rule is no new observation in political science. Dag Anckar (1989) has shown that this on a specific point has been the case concerning the constitution of Finland. Future public administration research will probably find more cases of “exception as the rule”.

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