

**School Vouchers and Political Institutions:  
A Comparative Analysis of the United States and Sweden**

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Michael Baggesen Klitgaard  
Department of Political Science  
Centre for Welfare State Research  
University of Southern Denmark  
Campusvej 55  
DK-5230 Odense M  
mbk@sam.sdu.dk

## **Abstract**

Education vouchers might seem like a natural extension of the liberal welfare model of the United States and American society generally; but they might also seem like a contradiction for the social democratic welfare states in Scandinavia with their state and public sector dominated principles of welfare provision. Nevertheless, school vouchers have faced severe resistance in the United States—with no legislative success as a national educational reform—but sporadic and limited state level developments can be observed. On the other hand, in the early 1990s the social democratic welfare state of Sweden adopted a universal public voucher scheme. The goal of the present paper is to explain this counter intuitive and counter theoretical empirical puzzle. It is argued that the different ways political institutions affect political decision-making in these two countries affects the varying policy output on school vouchers in the United States and Sweden.

*Keywords: School vouchers, institutions, federalism, decision-making, United States, Sweden*

## **Introduction**

Within comparative political analysis, it is often presumed that a strongly embedded liberal ideology biases American political culture against large government and towards personal freedom and individual choice. Scandinavians, on the other hand, are supposed to be more egalitarian and to hold collectivist values that translate into a positive vision of a dominating state that regulates significant parts of peoples' lives (Steinmo & Watts, 1995: 331; Rothstein, 1998; Moe, 2001: 15). From this perspective, two decades of institutional reforms in primary school education in the US and Sweden pose an intriguing puzzle. For generations, both countries have operated universal public school systems according to which all citizens have the right to attain free and compulsory education. In the beginning of the 1980s, educational reform movements began, however, to suggest changes in the traditional form of primary education. The issue of school choice in general and school vouchers in particular caused harsh conflicts in the following two decades (Klitgaard 2007b). School vouchers represent a financial arrangement in which

students are provided with a tuition certificate that can be used to attend public or private schools participating in the program (NCSPE, 2003). Vouchers characterize, so to speak, the idea of a new mix between public and private, or state and market, embraced by dominant public sector reform prescriptions produced by, for example, the OECD since the 1980s (Premfors 1998; Pollit & Bouckeart 2004).

The American congress has debated school vouchers during every presidential election campaigns since the early 1980s, but vouchers have developed only in a sporadic fashion—only a few states and cities have established some limited voucher programs, while a nation-wide program on several occasions has been rejected (Moe 2001). In contrast to the United States, Sweden adopted national and universal public school vouchers in the beginning of the 1990s. Today the Swedish school system therefore allows for extended competition and school choice between public and private providers of basic education (Blomqvist & Rothstein 2000; Blomqvist 2004). A central Swedish welfare policy, historically aimed at increasing social and economic equality in the Swedish society (Rothstein 1996), has in other words transformed into a policy in which the market-forces play a significant role in matters of governance and regulation. In the US, on the other hand, it has been very difficult to advance a policy that appears as tailor-made to the dominant political culture of the country. The intention of this chapter is to explain why school voucher policies in the United States and Sweden vary to this extent. Why was a national universal voucher program established in Sweden, while successful implementation of vouchers in the United States is limited to a few states and cities?

Answering these questions is of general interest for political science, as the puzzle pushes a couple of well-established theories about policy determinants to their limits. There is, for example, a lack of systematic correlation between (non-)adoption of school vouchers and variables such as partisan politics and path-dependency in policy research. The argument of this chapter is that these different developments are a result of the different institutional settings in which the politics of vouchers unfolded. A multitude of institutional veto-opportunities in American policy-making constrained the federal government from realizing its preferences, while very few veto-points provided Swedish governments with a formidable degree of independent policy-capacity (cf. Weaver & Rockman 1993). Policy implementation and innovation are constrained in

the US by presidentialism, bicameralism and federalism; however, federalism at the same time, facilitates policy innovations at lower levels of government (Martin, forthcoming).

The present contribution is arranged as a matched comparison between a positive and a negative case, which is a strategy of comparative analysis allowing for generalization from even small-*n* structured comparisons (c.f. Mahoney & Goertz 2004: 653). The first section discusses shortly some alternative explanations to understand the output from school policy-making. The second part elaborates further on the veto-point argument, while the third section consists of a comparative study of school policy-making in the United States and Sweden since the 1980s. The fourth and final section highlights the conclusions and discusses the potential of generalizing broadly to the process of restructuring principles of governance in welfare service provision.

### **Alternative explanations for varying outputs from school policy making**

Contemporary discussions on policy developments and welfare state reforms contain a scholarly dispute about the causal effects of, on the one hand, partisan competition and ideological preferences of government, and on the other the impact of institutionalized policy legacies (Pierson 1994; Allan & Scruggs 2004). Regarding traditional ‘politics matters’ arguments, conservative and right-winged governments are normally associated with positive views on market-type solutions in welfare provision, whereas social democratic and left-winged governments are seen as more skeptical toward such arrangements. Several scholars have for example identified causal relations between the strengths and ideologies of parties and the share of national incomes spent on social welfare as well as the institutional characteristics of welfare systems (Korpi 1988; Hicks & Swank 1992; Huber, Ragin & Stephens 1993). If this conclusion is brought into contemporary analysis of the politics of welfare state reforms, including the politics of governance reforms, it is reasonable to suggest conservative governments are more likely to adopt school vouchers and related school choice policies than more left-leaning governments.

Republican administrations in the United States between 1981 and 1993 endorsed the idea of school vouchers and presented on several occasions legislative initia-

tives to the Congress. However, Republican governments never succeeded in implementing public voucher models and school choice nationwide (Chubb & Moe 1990). In Sweden, on the other hand, a conservative administration in 1992 implemented a universal voucher scheme. The decisive move toward vouchers, however, was made when the social democratic government in 1990 introduced a new principle of school funding, allowing private schools to attract public funding on equal terms with public schools (Klitgaard 2007a). In other words, what conservatives failed to accomplish in the United States during 12 years in power was initiated by a social democratic government in Sweden, which makes it difficult to see the strict lines between traditional arguments about the role of politics and real world developments during the period investigated here.

The ‘politics matters’ thesis, attributed strong explanatory power in studies of welfare state expansion, was strongly challenged by the concept of *path-dependency* when scholars in the early 1990s began to analyze the reversal process of welfare state contraction (c.f. Pierson 2000). The basic idea of this concept is that policy choice at  $t_2$  depends on the situation at  $t_1$  as policies mobilize political constituencies and interests, and become part of the political foundation upon which subsequent choices are made. Hence, if two democracies diverge in their approach to reform public schools and other types of welfare programs, this may depend upon varying initial starting points for such reform activities (Rothstein & Steinmo 2002: 2).

A universal public school system, consisting of strong user groups and well-organized professionals with strong interests in preserving the system has however been the dominating educational institution in both countries for generations. Elaborated theories of path-dependency do include reflections about the dynamics of radical outbreaks of change (Mahoney 2000). If we, however, accept the idea that the situation at  $t_1$  determines future developments in a policy field, we should expect similarity rather than variation between the United States and Sweden, as their policy legacies in this particular field are quite similar. Moreover, the problem that arises with these types of arguments, at least when they come in stylized versions, is a problem of crypto-determinism. Once a certain policy path is established, it is presumed to be locked in and to stay in equilibrium as actors are inclined to adjust their strategies to accommodate the prevailing pattern (Thelen 1999: 385).

Thus, in contrast to expecting particular policy outputs to precisely reflect the preferences of a whatever-colored government or as more or less pre-determined by previously established policy legacies, this contribution emphasizes the importance of formal institutions in public policy-making. Certainly, American and Swedish governments of different colors shared a preference for introducing school choice into largely similar structures of existing school policy. However, extremely different institutional platforms left them with varying resources for translating such a preference into policy.

### **Institutions and veto-points in school policy decision making**

The welfare state crisis in the 1970s and early 1980s put decision makers in economically advanced countries under increased pressure to develop new modes of regulating the public sector (Pierre 1993; Premfors 1998: 142). Quasi-market arrangements including a stronger reliance on private entrepreneurs as service-providers and freedom of choice for citizens were seen as one among other appropriate policy-tools to increase public sector efficiency and to make public agencies more responsive toward citizen preferences (Pollit & Bouckeart 2004).

As mentioned before, school vouchers concentrate this idea, and are believed by voucher proponents to improve the quality, cost-efficiency and responsiveness of schools as they allow for parental choice and competition between public and private institutions (Chubb & Moe 1990). The voucher policy has thus been a central but disputed issue on the reform agenda in many OECD-countries (OECD 1994; 2002), which to varying degrees have succeeded in implementing it to national systems of education. But why is this so? Why is it that some governments in some countries stand out as more efficient in transforming reform preferences into legislation, while others are more constrained?

During the 1990s scholars located the answer to this question by analyzing how institutional rules structure policy-making processes. The constitutional organization of a polity establishes the institutional rules. Does the constitution for example divide power between mutually independent branches of government, or is power concentrated within the hands of the executives? This question is basically about the length of the decision-making chain. As noticed by Immergut, political decisions are not single decisions made at one point in time, but typically require successive affirmative votes along

a chain of decisions. The fate of legislative proposals thus depends upon the number and location of veto-opportunities along this chain (Immergut 1992:63; Tsebelis 1995). Veto-opportunities, or veto-points, are areas of institutional vulnerability in the political process where the mobilization of power and interests has an opportunity to influence the process and the outcomes (Thelen & Steinmo 1992: 7). This chapter advances a theoretical argument particularly based on Immergut's perspective on institutions as the "rules of the game." The assumption is that preferences, goals and interests of actors are formed independently of the institutions; yet institutions affect their strategic opportunities to achieve desired policies (Immergut 1992: 231).

Division vs. concentration of political power has first to do with the organization of central authorities. Do they take the form of a presidential separation-of-powers system or parliamentarism? Presidentialism separates political power between the executive and the legislative branch of government, which furthermore can be controlled by different parties (Bonoli 2001: 241). This may create political obstacles to governmental ambitions of realizing preferred policy choices since governmental initiatives always face potential veto from the legislative branch. In addition, when the electorate installs a Parliament controlled by the president's party. American Presidents, for example, are directly elected and cannot be brought down by a no-confidence vote in Congress. Members of congress are thus freer to vote in the interests of their constituencies and against their own government without running the risks of voting it out of office (Weaver & Rockman 1993: 13; Bonoli 2001).

Political power in parliamentary systems is more concentrated since executive authority emerges from and is responsible to legislative authority. This constitutes a political system characterized by mutual dependence between the executive and legislative branches of government (Strøm 2000: 264). Governments need to control a parliamentary majority not only to move into office but also to stay there. This structure enhances partisan discipline, and will often allow the government to form a parliamentary majority in support of government-sponsored policy proposals, even when the government's parliamentary base of support disagrees with the content of a proposed policy. Compared to presidential systems, political power is thus more concentrated within the hands of the government in parliamentary democracies, which is an important reason

why such polities are lesser biased toward deadlocks (Goodin 1996; Crepaz & Bircfield 2000: 210; Strøm 2000).

Different relationships between the executive and legislative branch of government account for a significant part of the varying reform capacity between advanced democracies (Weaver & Rockman 1993). Yet the organization of parliaments is also important. Is the parliament unicameral as in Sweden (after 1969), Denmark (after 1953) and Finland, or bicameral as in the United States, Germany and France? Under unicameralism proposals only have to be approved in one chamber, and are thus associated with stronger governmental control in the decision-making process – control which of course is even stronger when unicameralism is associated with a strong degree of parliamentarism as in for example Sweden and Denmark (Lijphart 1999). If, as in bicameral settings, members of a first and second chamber possess veto-opportunities and are in a position to block policy initiatives, governmental efficiency is more inhibited (cf. Steinmo & Watts 1995).

A third macro-institutional variable with consequences for the reform capacity of central governments relates to the governmental structures. In unitary states, as for example Sweden, policy-makers are often able to concentrate on the question of “what is to be done?” and enjoy considerable freedom to implement their preferred policies. This is in sharp contrast to federal systems as the United States and Germany, in which authorities at the central level coexist with authorities in the units constituting the federation. Since governmental authorities at all levels have a preference for policy control, questions over policy innovations under federalism are likely to be obstructed in political conflicts among competing centers of political authority. Federal political systems tend, so to say, to superimpose the question of “who should do it?” (Pierson 1995: 451; Castles 1999).

As argued by Martin, however, the view on federalism as constituting an additional veto-point is only partial (Martin, forthcoming). If the central government depends on, for instance, fifty different states in order to achieve a desired policy, these indeed look like fifty different veto-points – but only from the central point of view. The more federalism namely disperses political authority, the more opportunities policy-makers at the lower level of government may have to change the policy. Federalism has, in other words, two faces; it appears as a structure of veto-points that might block

centrally planned policy innovations, but it also appears as a structure of access points that encourage policy proposals from policy-makers at lower levels of the government (Martin, forthcoming). As a result, policy innovations under strong federalism are unlikely to evolve regularly nation-wide, rather according to the institutional and political settings in the decentralized political units, which may be highly different.

The subsequent part of this chapter explores whether such institutional arguments account for different outputs from the politics of school vouchers in the United States and Sweden. Insights gained from institutional political analysis lead us to expect the central Swedish government to have much stronger institutional reform capacity than the federal government of the United States. We also expect American federalism to facilitate sporadic policy innovations in the units constituting the federation.

### **United States: the politics of school vouchers in a divided institutional setting**

The Reagan administration entered the White House in 1981 with declared skepticism toward the federal government and launched political strategies of tax cuts, cuts in public spending, welfare state retrenchment and institutional re-arrangements to favor the principles of the market. Another political strategy of the new administration was so-called ‘new federalism’; that is, to reduce the central government he intended to shift a good deal of policy activities back to the states (Pierson & Smith 1993).

The Reagan administration’s approach to educational reform, on the one hand, aligned well with the new federalism initiatives. American schools are governed by the educational policies of their respective states, which are responsible for public education according to the Constitution (Chubb 2001: 27). The new conservative government sought to dismantle the Federal Department of Education and turn further political responsibilities and funding for education over to state governments. On the other hand, the federal government became rather active in stimulating school choice and competition between public and private institutions. When a national commission in 1983 declared the United States a ‘*Nation at Risk*’ because of the poor quality of the educational system (Pappagiannis *et al.* 1992, 12), political controversies over educational policy in general, and vouchers and school choice in particular, were catapulted to the top of the political agenda. During the following years, the issue attracted the attention of the

President, presidential candidates, members of the Congress, media, organized interests and think tanks (Cibulka 2000: 151).

As mentioned, the newly elected conservative administration had a strong preference for encouraging a more market-driven American society and school vouchers were a notable instrument in realizing this preference within the sphere of public education. In the years ahead, the American school debate of course came to involve several elements, but most of them became subordinated to the debate about vouchers and school choice. Those in favor of school choice saw universal public vouchers as a strategy for racial desegregation, the way to improve academic standards, and to increase institutional efficiency (Moe 2001: 27-28). Opponents of vouchers argued instead that exactly such problems are aggravated with opt-out options to the private sector (Ravitch 2001; Boyd & Lugg 1998).

As mentioned before, the conservative administration of the early 1980s was not completely dedicated to the idea of a new federalism in relation to the school choice issue (Moe 2001: 25, 36-7). While the first Reagan administration reduced federal support for public education, it proposed too, in 1983, a program that would increase federal support for private education – either through tuition tax credits or through public vouchers (Henig 1994: 72). This program was however refuted by a Democratic Congress – as was another program proposed in 1985. A third attempt was made in 1986, and this time with a much more modest program that would have given local school districts the option to use vouchers, without requiring them to do so. It would also have left the decision to the local districts whether to allow such vouchers to be used for private schools. But the result was the same – it never made it through the Democratic Congress – which was influenced in no small part by extremely skeptical teachers' unions who endorsed the Democratic party (Moe 2001: 27). The unsuccessful initiatives made by the White House in this period demonstrate exactly the problem central governments in fragmented institutional settings often face. Because the Democratic Congress served as a veto-point, through which voucher proposals have to pass, the Republican President could not form a sufficient majority in favor of this policy. Moreover, the Republican President could not even count on strong support from Republican Congress members (Henig 1994: 72). Conservative elected officials often have constituents who are in the

suburbs, fairly satisfied with their schools, and not pressuring for reforms (Moe 2001: 34).

In the beginning of the 1990s, the first President Bush, who had stated his intention to become the “Education President” (Henig 1994: 90), made another push for public vouchers. He began his term by pushing for public school choice instead of supporting vouchers, but during the election year of 1992 he launched his “G.I. Bill for Children”, which would have provided \$1000 vouchers to children from low-income families -- an idea that went nowhere in a still Democratic Congress. The voucher issue continued to be a central issue in all presidential election campaigns throughout the 1990s, and in 1998 the now Republican controlled Congress successfully enacted a bill authorizing vouchers for children from low-income families in Washington D.C. This bill was, however, vetoed by President Clinton (Moe 2001: 36-7).

In the shadow of national deadlocks, notable developments occurred only regionally and locally. The first public voucher programs were introduced in Milwaukee in 1990, and designed for use by children from low-income families (Mintrom 2000: 24). A similar program were subsequently established in Cleveland in 1996, and the first statewide voucher program introduced in Florida in 1999, restricted to students from failing public schools. After Florida came the State of Colorado in 2003, passing a voucher plan to provide vouchers for students from low-income families with low academic performance (Levin & Belfield 2003).

Although policy innovations in some states often diffuse to others (Berry & Berry 1999), state-autonomy and strong federalism in school policy makes it uncertain to which degree that will happen with school vouchers. Federalism may indeed serve as a veto-point from a national point of view, but it may also facilitate policy innovations at local levels of government. This second face of federalism is an important reason for the irregular development of school vouchers in the United States. It has been argued that when the United States Supreme Court in 2002 ruled that the Cleveland voucher program (*Zelman v. Simmons-Harris*) does not violate the Establishment Clause of the First Amendment, a green light was given for the development of vouchers elsewhere. Yet the Supreme Court ruling does not abrogate the application of restrictive provisions in state constitutions, which vary widely. Some can be interpreted as permissive to this policy innovation whereas most others are either very restrictive or at best uncertain

(Kemerer 2002: 2). In 2003 the Colorado voucher plan was for example struck down, as it was judged to violate the Colorado Constitution by depriving local school boards of control (Levin & Belfield 2003: 9). Consistently, public attitudes have not been overwhelmingly positive toward school vouchers. Local referenda on vouchers have in fact been defeated by sizeable margins, with political opposition easily mobilized (Belfield & Levin 2002; Kenny, forthcoming).

The success of the voucher movement in American school policy has altogether been relatively limited – at least so far. Not only compared to what Swedish governments achieved in the same period but also compared to the achievements of the American charter school movement. Charter schools are public schools of choice, supported by public funds and enjoying a greater freedom from regulations than traditional public schools (NCSPE 2003). The first state to adopt charter school legislation was Minnesota in 1991, and charter schools have grown rapidly since. According to the Center for Educational Reform, 40 states and Washington D.C. have adopted charter school legislation by 2007, and about 4000 charter schools are serving more than a million children ([www.edreform.org](http://www.edreform.org)). Charter schools have won support from various proponents and faced much less resistance than the voucher movement, as they to a lesser degree threaten to undermine the public institutions (Moe 2001: 40). As much as a choice reform, charter schools should also be seen as a decentralization of management to the schools though, going hand in hand with other forms of school-based management principles introduced during the 1990s.

### **Sweden: the politics of vouchers in a unified institutional setting**

In the late 1970s the Swedish welfare state was increasingly exposed to criticism for bureaucratic red tape. Against this background, the Social Democratic party returned in 1982 to office after six years in opposition and launched a comprehensive reform-program to facilitate a series of governance reforms in the welfare state. The Social Democratic party in particular had strong political incentives to do so. For the first time in 44 years, the party lost office in 1976 – partly caused by the electorates' increasingly critical attitude toward the public sector that especially developed under Social Democratic rule between 1973 and 1976 (Petterson 1977: 199-205). The dominant

explanation for the historical political change in 1976 was accordingly that perceptions of the welfare state as a rigid bureaucracy first and foremost invalidated the Social Democratic party in terms of voter mobilization. Incumbency 44 years in a row made it difficult to identify the borders of the party and the beginning of the state (Mellbourn 1986: 12-13; Antman 1993: 52; Pierre 1993). Hence, since welfare state activities did not accord precisely enough with citizen preferences (Gustafsson 1987: 179-180), the Social Democrats had a strong incentive to modernize this traditionally unsurpassable political asset of the party (cf. Klitgaard 2007a).

The state-dominated and centrally regulated public school system soon became a salient issue on the reform agenda. The dominating principle laid down in this system during the post-war era was to provide all children with a standardized and high-quality form of basic education. Only 0.2 per cent of the pupils were enrolled to private schools in the early 1980s. In the second half of the 1980s the Swedish study of power and democracy conducted a major survey of the Swedish population's attitudes toward possibilities of influencing the public services they use. This survey demonstrated above all a feeling of lack of influence in relation to public schools. The attitude toward schools was, for example, that it was difficult to influence the teaching offered to one's children and to choose a school according to one's own preferences (Peterson *et al.* 1989: 262). Various policy proposals for school policy reforms launched in different party and government programs since 1982 were then passed on to the arena of decision-making. The proposals did not become subjects of decision-making beforehand, as strong disagreements existed between the leaders of the Social Democratic Party, which is the government, and several social democratic backbenchers. Internal party disagreements were settled in the late 1980s, though, which allowed the government to initiate a decision-making process that fundamentally altered the structures of the Swedish school system.

In 1988 responsibilities for public primary schools were delegated to municipalities, while the role of central state authorities was reduced to formulating general political goals, financial funding, and overseeing the quality of public schools through evaluations (Prop. 1988/89:4: 9). Decentralization was guided by the principle that schools should have an opportunity to develop special academic or pedagogical profiles, and to conduct education according to the needs and demands of the local environment (Prop. 1988/89:4: 53-6). In the autumn of 1989, municipalities came in charge of school

personnel (Prop. 1989/90:41: 12), and a new funding system was introduced in 1990/1991 (Prop. 1990/91:18: 25). The new funding system gave municipalities an unspecified block grant, though earmarked for schools and educational purposes. With this, municipalities were given more freedom to dispose of resources and organize public schooling.

New forms of school choice also evolved. Since schools were given an opportunity to develop special profiles, they were also obliged to meet individual preferences of school choice as far as practical and economic possible (Prop. 1988/89:4: 53-7). But school-choice was not restricted to a choice between only public schools. Due to the new funding system, private schools were given the possibility of attaining public funding on equal conditions with public schools. As mentioned, the Social Democrats had a harsh internal discussion about public funding of private schools during the 1980s, as the “traditionalists” of the party feared this would undermine the principles of the universal welfare state. When the government bill proposing a new funding system was debated in a parliamentary committee, the Center Party, which was the primary political alliance of the government, proposed that municipalities should allocate resources in accordance with a principle of needs to all schools, public or private (1990/91:UbU17: 23). The government did not oppose this, and enacted a voucher model that allowed families to choose between public and private (but publicly financed) schools.

During this process, shifting Social Democratic governments broke with the traditional corporatist and consensus-oriented policy-making style, for example because teachers’ unions and other organized interests on several occasions were left in the cold without efficient opportunities to influence the legislative process (Lindbom 1995: 71; Klitgaard 2004). Thus, a characteristic feature of the Swedish process is that the Swedish government, different than American governments sharing a preference for vouchers, had the institutional and political strength to pass its policy proposals through the Parliament. As internal disagreements were settled and sufficient alliances created with other parties in the Parliament, the government was able to follow its policy preferences and implement desired changes to the public school system on the basis of a stable majority.

In 1991 a Conservative government coalition came to power and abandoned the principle of needs testing in order to grant private schools public funding. This govern-

ment decided that private schools should have the right to receive an amount per pupil of 85 percent of the average costs of a pupil in public schools, and to charge parents an additional school fee. When the Social Democrats returned to office in 1994, they reduced this to 75 percent due to the economic crisis, but decided in 1996 that private schools should be granted public funding per pupil corresponding to the costs per pupil in public schools. In connection to this, it was also decided that private schools no longer could charge parents for an additional school fee (Klitgaard 2007b). This institutional overhaul of the Swedish public schools caused an increase in the number of private schools from 166 in 1993 to 596 in 2006 (various statistics on private schools in Sweden are available online at <http://www.skolverket.se/content/1/c4/95/93/Frist-skolor070125.pdf>).

## **Conclusion**

The varying success of shifting governments in the United States and Sweden in introducing a voucher scheme and thus allowing for choice and competition between public and private schools is highly correlated with these countries' different institutional rules for political decision-making. In the 1980s and beginning of the 1990s Republican Presidents found that even modest voucher programs were rejected by a Democratic Congress – a veto-point such programs had to pass to become legislature. Congress rejected these proposals because the President's party did not control the Congress, but also because an independently elected President could not even rely on legislators from his own party. This is altogether in good agreement with the theory of separation-of-powers systems and fragmented decision-making structures. Later in the 1990s a congressional majority in favor of school vouchers was actually formed by a now Republican controlled Congress. In the meantime, a Democratic President had however moved into the White House, from where voucher plans now met a veto. Divided American government structures have indeed been a major obstacle to the voucher movement, and prevented a national program to be implemented (Moe 2001: 27). However, to the extent that federalism serves as another veto-point, it has an additional facet. Some state constitutions have been permissive to school vouchers, and voucher programs of a different scale and character have flourished in some parts of the country. But exactly be-

cause of the different rules at the lower levels of government, a further flourishing of school vouchers in the United States must be expected to be as sporadic as it has been to this point.

Swedish governments were, in comparison, more efficient in transforming policy proposals into real programs, once they had settled internal disagreements. They controlled a majority of the Parliament, which was the only requirement to enforce a new financial structure in school policy. Even the traditionally close ties between the Social Democratic Party and the unions did not serve as a veto-point in connection to this policy-making process. If the unions and other opposing interests for example had exploited an opportunity to influence decision makers in, for instance, a second chamber, an independently elected President, or autonomous political authorities at a lower level, they would have had more opportunities to gain access to the process and modify or even obstruct the government. However, the crux of the matter is exactly that they did not have such possibilities. When the government decided to use its parliamentary majority, teachers' unions could do no more than organize a demonstration outside the Parliament as the legislative process went on inside (Lindbom 1995).

The Swedish decision-making process on school vouchers and related educational reforms is, on the one hand, a special case measured against Swedish standards with a traditionally high degree of inclusion of societal interests through a variety of commissions. Only one school policy commission was formed in the period 1988-1991, and the Minister of Educational Affairs explained this break with Swedish traditions of policy-making as a means of increasing governmental control over the process and preventing obstructions from the organized interests (Lindbom 1995: 74; Klitgaard 2004). On the other hand, governance reforms in the Swedish school system fit into a general pattern of such reforms conducted during the period. In health care for example, purchasers and providers have been split, which has resulted in a construction where politically controlled boards buy healthcare services from providers competing with each other. Today, Swedish citizens can therefore choose not only between different schools but also between different providers of primary healthcare and hospitals (Blomqvist & Rothstein 2000; SOU 2000:38). Such reform developments are also prominent in child-care and eldercare (Green-Pedersen 2002).

Correspondingly, the United States displays relatively low reform activity in other areas, too. Conservative governments during the 1980s generally did not achieve radical retrenchment or a major shift toward private sector provision of social welfare, although they did succeed with moderate retrenchments at the edges of the Medicare program (Pierson & Smith 1993: 501). Likewise, the Clintons' ambition of establishing a national health insurance scheme also failed to be implemented (Steinmo & Watts 1995). Thus, different outputs on school and educational policy in the two countries broadly emphasize a well-known conclusion from research on the politics of welfare state expansion, as well as from research on the politics of welfare state retrenchment. Divided structures of decision-making inhibit policy-makers from realizing their preferences, as they have to pass a variety of veto-points during the process (Castles 1999; Immergut 1992; Pierson 1994; Bonoli 2001). Governments in unified systems are, in comparison, provided with more institutional and political degrees of freedom to transform formulated policy goals into legislation. Hence, the politics of vouchers in the United States and Sweden illustrates the tremendous impact political institutions have for public policy and reform developments.

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