Multi-level governance of refugee settlement: Lessons from Norway’s failure

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Introduction

Immigration is a divisive political issue and its administrative handling is surrounded by high social tension and ongoing friction between xenophobic and liberal values. Debates range over whom to grant access to the country, how to regulate access to welfare benefits and political rights, and how to integrate in local communities those granted access (Freeman 1995, Castles and Millers 2009, Geddes 2003, Ireland 2004, Hainmuller and Hangartner 2013). In particular during the last decades, the increasing numbers of asylum seekers has put the state under pressure and has turned the political focus on immigration control and how to regulate access to welfare (Strang and Ager 2010). In contrast to labor immigrants who often are seen as ‘wanted’ since they are considered useful to economic growth, refugees are more associated with economic costs and cultural threats (Freeman 1986, Geddes 2003, Bosswell 2003), sentiments often articulated in local communities where settlement of newcomers actually takes place.

The topic here is how local resistance to resettlement of refugees has challenged state governance. Refugees do need a community to settle in, sometimes desperately so, in order to avoid long-term habitation in refugee centers. Given the contentious and “wicked” nature of integration as a policy problem, associated institutional constraints and local resistance, designing policy programs for resettlement is inherently difficult. As Caponio and Borkert (2010:18) argue “immigrant policies are more the result of local-level mediation practices, than official – national or local – policy models”. When beneficial immigrant integration is associated with taking into consideration specific requirements of the local community, how can state policies be successfully implemented? As will be elaborated below, quite different policy programs can be seen in operation across countries.
Our object of study is Norway’s program for resettling refugees. A key aspect of the Norwegian program is local governments’ substantial autonomy: central government has decided to rely on “soft” network-type and market-type instruments rather than “harder” hierarchy-type instruments (Powell 1990) to make local governments collaborate in implementing national policies. Norwegian local governments are every year requested by central government to resettle a number of refugees. In return local governments receive a substantial economic subsidy. Local governments decide for themselves, however, after a local democratic process, whether to accept or reject the requests. Some say yes, others yes but to fewer refugees than requested, some say no, and some pretend they have not registered the request at all. The multilevel structure for this policy issue is hence more equally than hierarchically ordered. Central government has obligations according to international law to give protection and is committed by the ideology of welfare justice to provide necessary services and housing to refugees. Municipal sovereignty towards the central requests to resettle refugees opens up for a variety of local democratic processes to work, implying bottom-up implementation and unpredictable outcomes.

The program has been widely considered a failure for years. More and more women, men and children who have been granted asylum remain living in asylum centers, which is strongly detrimental to their integration into society. The ensuing national implementation crisis and the state’s international responsibility for providing domicile refugees have put the Norwegian state under pressure and forced it to explore more adequate governance instruments. Following a firm rejection by most interested parties of more draconian policy instruments towards local governments, an openly frustrated Prime Minister recently expressed in Parliament: “Our problem is that now 2.459 people live in asylum camps in Norway - [people] who shall be re-settled, who are persecuted, and need protection, but to whom the municipalities are saying ‘no’”, (Prime Minister Jens Stoltenberg, Parliamentary Question Time, March 2012). At the time of writing the number doubled to about 5.000 (IMDi 2013).

We study how the Norwegian refugee resettlement program has developed since the 1990s, focusing its policy design. In light of the implementation deficit, the program’s content in terms of policy instruments has taken unexpected turns: the program has become less, rather than more, intrusive towards local governments over time. The program’s reliance on market and network-type policy instruments has increased and more hierarchical instruments
remain off the table. We explore causes and consequences of this apparent paradox, drawing
on theories of policy instrumentation.

We proceed by explaining further why integration as a wicked policy problem and we sketch
different countries’ handling of this problem. We then develop expectations about the
resettlement program’s evolution based on theories of policy instrumentation. We then trace
the evolution of Norway’s resettlement program from the late 1990s until today. In the final
sections of the paper we first discuss the apparent paradox that, contrary to the established
wisdom, the state has responded to policy failure with less, not more draconic policy
instruments towards local governments. The empirical contents of the paper are based on
reading of government documents, existing statistics from the Norwegian government, and (as
of yet unquoted) interviews conducted with about 30 IMDi staff and directors in 2013 by one
of the authors.

Multi-level governance of integration

Integration as a wicked issue

In one sense integrating refugees is a structured policy problem. We know what the problem
is, in the sense that there is agreement what constitutes poor integration (low work
participation, low participation in civil society, etc.), what consequences poor integration has
for the individual (low income, low social mobility, alienation, etc.) and for society (social
tension, crime, welfare costs, etc.), and there is also wide agreement over what causes poor
integration (poor language skills, low education, living in ghettos, etc.).

Overall, however, integration is a highly unstructured or “wicked” problem. One reason is
that integration challenges established political-administrative structures and is surrounded by
a complex policy subsystem (Rittel and Melvin 1973). Designing policies and programs to
handle integration requires the government apparatus to coordinate immigration, education,
employment, health services, housing and social services. In most countries, not least the
Nordic countries, regional and local levels of government have been delegated considerable
responsibility for most of these policy areas. Various local level voluntary and private sector
actors also need to collaborate in order to succeed with settlement and integration. In some
countries, like Norway, local governments have also been granted the right to reject requests
from central government to resettle refugees. Attaining national integration objectives
therefore requires coordination not only across policy sectors, which is difficult enough, but also across levels of government.

A key general characteristic of a ‘wicked problem’ is the absence of a common accepted problem frame (Rittel, and Melvin 1973, Rein and Schön 1994), and a situation “in which there is a multiplicity of frames, each emphasizing different aspects of a problem situation that are often contradictory” (Poppelaars and Scholten 2008, referring to Fischer 2003). This fits the integration problem, since the understanding of immigration as a policy problem tends to vary among the sectors and levels of governments involved. Most countries designate overall policy responsibility to a government ministry and to a state agency. In Norway, for example, overall responsibility for integrating immigrants lies with The Ministry of Children, Equality and Social Inclusion, which implements integration policies through its agency The Directorate of Integration and Diversity (Norwegian abbreviation: IMDi). This agency is held responsible for overall attainment of settlement and integration objectives, but is dependent on cooperation from ministries and state agencies with policy responsibility for education, employment, health etc. and, not least, on cooperation from local governments. These collaborators tend, however, to view settlement and integration not as “their” problem but as national government’s or as IMDi’s problem. To central government, re-settlement of refugees is a national obligation to the international community and a matter of integrating immigrants in society. At the local government level, re-settlement is framed in relation to various local problems, material (housing, work, etc.) or symbolic (culture). Local governments predominantly view successful integration policy not as realizing national policy objectives but rather as solving problems as they are understood and experienced locally (Caponio and Borkert 2010, Poppelars and Scholten 2008).

Integration is also a “wicked problem” in the sense that it involves goal incongruence between short-term and long-term goals. Realizing short-term objectives about quick resettlement of refugees in local communities might and might not support the realization of longer-term objectives about social integration or naturalization of newcomers. Immigrants often want to settle in the bigger cities where there are already people from their own countries and cultures. This is not necessarily beneficial for integration on societal level, though, since it might lead to development of ghettos and sub-cultures. Strong clustering of immigrants also puts strains on bigger cities’ welfare and social services. From a societal perspective, therefore, it is often seen as more effective to make immigrants settle also in smaller communities, spread around the country. Draconically instructing immigrant
settlement in specific communities is however often seen as inappropriate, not only towards the individual, but also towards local communities and their right to self-rule.

Instructed settlement may also be ineffective from an integration perspective. Local governments that are able – or through economic subsidies enabled – to provide housing and social services to refugees are not necessarily the same locations where there are suitable education and employment possibilities, or where the local community is willing to welcome and integrate newcomers. This connects goal incongruence to another of integration’s “wicked” problem characteristics: multilevel governance. Soft-mode multilevel governance is not chosen only out of respect for local government’s autonomy and local community sensitivities, but also because it is believed that forced, as opposed to voluntary settlement, is detrimental to the overarching policy objective, which is long-term integration of immigrants into their new society. It would be much easier to design and administer a program aiming just to settle refugees, than to design and administer a program aiming to settle refugees in communities willing and able to also integrate them. Successful integration is presumed to depend on local consensus and acceptance of the newcomers.

Integration is also a wicked problem in the sense that it varies from year to year, depending on the inflow of refugees. That inflow is unpredictable, in terms of both size (number of refugees) and content (profile of refugees). Unrest and wars in e.g. the Balkans, Iraq, Somalia and Eritrea have influenced the inflow of refugees to Norway and other European states since the late 1990s. Such fluctuations disrupt the suitability of policy programs and challenge administrative routines on state and local levels. Finally, integration is a wicked problem because it is unsolvable, if not on the individual level then at least on societal level. Global migration means that the task of integrating immigrants never stops.

**Different countries, different solutions**

In most countries around the world, the government takes a less active role in the integration of immigrants than what is the case in Norway and the other Nordic countries (Valenta and Bunar 2010). In the US, for example, market forces provide the incentive for the individual to manage his own affairs (Freeman 2004). Nordic countries have expansive, advanced welfare states, and cannot afford to wait for long-term integration. It is feared that if one allowed ‘slow integration’, like in a market economy, a new economic ethnic underclass would emerge and the welfare state could be undermined in the process (Brochman 2002:34). Though the Nordic countries largely share the same ambitions for integration, their resettlement programs display
important differences. Sweden emphasizes that refugees should be free to choose place of settlement (Borevi 2002). Sweden’s resettlement program is hence less paternalistic and selective than Norway’s; it leaves more options for the refugee to choose where to live. Denmark’s resettlement programme is more centralist. Here, the state can instruct municipalities who are unwilling to receive a certain number of refugees.

Studies from several countries with decentralized governing structures have shown how implementation deficits in the field of immigration policies are rooted in differing institutional logics on problem framing. Poppelars and Scholten (2008) argue from a study of immigrant integration policies in the Netherlands that national and local levels “have framed and approached this policy problem in varied or even conflicting ways” (p.337). The Dutch central government adheres to an ethnicity-blind citizenship policy and aim to provide refugees individual welfare rights on line with other citizens. Local authorities face practical integration challenges in urban settings and have to take into consideration the local context of implementation, including ethno-cultural concerns. Helbling (2010a, 2010b) makes similar observations from the Swiss case. Leo and August (2009) argue that in federal states like Canada, the variety of local circumstances means that settlement of immigrants has to take into consideration local involvement and flexible governance.

Theories of policy instrumentation

Hyden (1999:185) defines governance as “the stewardship of formal and informal political rules of the game (...) [i.e.] setting the rules for the exercise of power and settling conflicts over such rules”. Markets, hierarchies, and networks are widely understood to be the three primary forms of governance, or social organization (Powell 1990), whether the relations to be organized are ones between organizations and individuals or ones between organizations. These forms are reflected in e.g. Hood’s NATO typology of policy instruments (Hood 1998, 2005, Hood and Margetts 2007) and Kreiner’s typology of approaches to intergovernmental coordination (Kreiner 2008).

Multi-level governance by market

The market approach advocates coordinating intergovernmental dependencies and relations by drawing on ideas from the marketplace. Central government can solve its dependency on local governments by buying behavior, drawing on economic transfers, or treasure, as a basic resource (Hood and Margetts 2007). The associated decision style is bargaining – by appeal
to the self-interests of all participants and by resort to incentives (Scharpf 1988: 59). State matching grants programs targeted at local governments is an important operationalization of this form of governance. Matching grants basically means that central government asks local governments “who are willing to provide this good given subsidy at this and this level?”, and then it is up to local governments to calculate if the subsidy matches or exceeds their local production costs. Market-based coordination therefore does not conflict with local self-rule, since it is up to local governments themselves whether or not they want to “sell” their behavior at the given “price”. Ideally, central government calculates a subsidy (or price) that matches the costs of neither fewer nor more local governments necessary to produce the necessary level of the good.

An important benefit associated with market-based coordination is that it demands few administrative resources at the central level. One needs only capacity to “read the market” and adjust “prices” to the optimal level. One might also need some capacity for control, to see to it that the goods are actually produced, and at the right quality, but other than that, administrative costs are low. A further strength associated with market-based coordination is that it does not presuppose that central and local governments are in agreement about the framing of the problem at hand or if the behavior that is bought is the best solution to the problem.

Market-based intergovernmental coordination also has weaknesses. First and foremost, local governments may get on board for the wrong reasons. An economic motivation may be sufficient for producing a good like settlement of refugees, but contributing effectively to the longer-term objective of integration (or naturalization) may require a more substantial motivation and a sense of “problem ownership” locally. Decoupling of intertwined policy objectives (and even goal displacement) is therefore a potential perverting mechanism associated with market-based coordination. Furthermore, it is difficult to calculate the right level of subsidy. Local governments may use their information advantage and persuade central government to pay excessive subsidies, something that reduces the cost efficiency of the policy program. Finally, market-based intergovernmental coordination blurs the lines of political accountability. Who is responsible if policy objectives like resettlement rates are unsatisfactory? Is it central government, apparently unwilling to pay the price, or is it local governments, apparently unwilling to accept the offer?
Multi-level governance by hierarchy

The hierarchy approach advocates coordinating intergovernmental dependencies and relations by drawing on ideas from the line hierarchy rather than from the marketplace. Central government can solve its dependency on local governments by commanding certain behavior, drawing on its authority to pass biding laws and regulations (Hood & Margetts 2007). The associated decision style is confrontation – by appeal to the interests of the dominant individual party and by resort to power and coercion (Scharpf 1988: 259). Associated policy tools are of the authority type (Hood and Margetts 2007). In the case of resettling refugees the operationalized solution here would be to instruct local governments to settle a given number of refugees, like in Denmark.

A benefit associated with hierarchical governance is that, like market-based governance, it does not presuppose that central and local governments are in agreement about the framing of the problem at hand. Or, in Scharpf’s terms: Its effectiveness it is not premised upon the existence of a common utility function (Scharpf 1988: 259-60). Furthermore, hierarchical governance gives more predictable or “certain” results than market-based governance does (Birkland 2011 p. 251). That is why the hierarchy approach is often applied in response to situations that present central government with large political and fiscal risks. In such situations the state seldom has the patience to wait e.g. for different parts of the local government apparatus to collaborate on their own initiative. Also, hierarchical governance is democratically accountable, since it places political responsibility at central government level.

A weakness associated with hierarchical governance is that, contrary to market-based governance, it strongly infringes on local government autonomy. It also shares market-based governance’s in-built perverting mechanism of decoupling intertwined policy objectives. Instructing local governments to settle refugees gives no guarantee that longer-term integration objectives are realized. Instructed settlement might even be detrimental to integration, since refugees are sent to municipalities that are unable or unwilling to integrate them.

Multi-level governance by networks

The network approach to intergovernmental coordination will here be presented as two-pillared. The first pillar is governance by normative appeals. Normative appeals draw on structuring mechanisms from science (systematic analysis, proven facts), rhetoric (arguments and persuasion) and pedagogy (explaining and understanding). A second pillar of network
governance is governance by partnerships, which draws its structuring mechanisms from contract law. Partnerships are collaborative structures formed voluntarily between autonomous parties (Kreiner 2008). Partnerships may serve different purposes (knowledge sharing, policy development, implementation, co-production, etc.), have complex or simple participant structures and vary in character from temporally limited structures (e.g. connected to projects) to permanent and legally mandated structures (e.g. inter-municipal companies).

Equal partners introduces an important element of bargaining as a continuous ad-hoc process or finalized in an agreement that may be more or less specified as to the obligations of the partners.

In the network approach to multi-level governance central and local governments generally solve their mutual dependencies through discussion rather than bargaining and confrontation. Or in Sharpf’s terms: the associated decision style is problem solving – by appeal to common solidarity values and by resort to ostracism (Scharpf 1988: 258). Associated policy tools are of the nodality and organization types (Hood and Margetts 2007). Nodality means that central government draws on the resource of being central in information and power networks, e.g. in relation to other parts of the central government apparatus. Organization means here to have organizational capacity to analyze, inform, persuade and coax in interaction with local government, e.g. through an institutional local presence.

An important benefit associated with network governance is that, unlike hierarchical governance, it respects local self-rule, or the subsidiarity principle (Scharpf 1988: 265). Also, network governance gives good prospects for the coupling of intertwined policy problems, like settlement and integration of refugees. Relative weaknesses of network governance include democratic accountability (who are responsible), unpredictable results and high costs (requires organizational capacity) (Birkland 2011 p. 251).

Evolution of policy programs

In practice most policy issues will be surrounded by a combination of two or more types, but the balance between types changes over time in response to e.g. implementation structure, policy performance and societal pressures (Hood and Margetts 2007). Some say we understand little about the conditions that give rise to one form of governance over the other, or why actors choose one form over the other (Jung & Lake 2011: 972). Nonetheless, public policy research has taught us several things about what dynamic interaction we should expect policy instruments. A basic logic of consequence-type idea of relevance for multilevel
governance is that central government will try to reach its objectives first with policy tools that infringe as little as possible on local self-rule. It will then move incrementally towards more draconic tools if necessary to reach the objectives (Birkland 2011). We should expect, then, that the Norwegian central government moves towards hierarchical governance if market-type governance fails to realize resettlement objectives.

The evolution of Norway’s resettlement program 1990-2013

Refugees’ asylum applications are handled by the Norwegian Directorate of Immigration (UDI). While applications are processed, refugees live in asylum centers, located around the country, under the responsibility of UDI. Once refugees have been granted asylum in Norway, they become the responsibility of The Directorate of Integration and Diversity (IMDi) and acquire the right to domicile in a municipality. A government white paper stated that ‘In the same manner as all others residing in Norway, refugees and others granted stay of residence must reside in a municipality’ (St. meld. 17, 2000–2001: 68). The current target is to re-settle adult refugees within 6 months after a positive result of an asylum application, and unaccompanied minor refugees (below 18 years) within 3 months. The time limit has been important because of often poor living conditions in the asylum centers and because of documented positive effects on long-term integration into the Norwegian society from settling down in a local community as soon as possible.

Persons who have been granted asylum have welfare rights to health services, education, housing support and social benefits in a municipality on par with the majority population. They are also required to take part in a two-year introduction program offered by the municipality, focusing on language skills, vocational training and knowledge about Norwegian society. Those who reject to take part in the introduction program lose not only access to housing but also substantial economic benefits.

As mentioned above, IMDi cannot instruct local governments to settle refugees; it can only request them to do so. Out of a total of 429 municipalities the number of municipalities receiving requests from the state has varied from more than 300 in the early 2000s (a peak year was in 2000 with 373 requests) slowing down to about 200 in 2005-06, and once more passing 300 municipalities in 2009-12 (IMDi). Thus, refugee resettlement affects most municipalities, small and large ones, in all regions of Norway. Smaller municipalities are requested to settle rather few refugees, normally 10 to 15 persons. The municipal council decides by vote how many, if any, refugees are allowed to settle within the borders of the
municipality. Formally, settlement occurs when local political bodies have considered the state request and passed a resolution agreeing to receive a specified number of refugees. State settlement requests often receive much local news media attention. The settlement topic hence becomes highly visible among the public and settlement is regularly opposed by local right-wing political parties.

To succeed with settlement and, more importantly, integration, municipal immigration officers need to collaborate with colleagues in other departments to provide e.g. education and training services, employment, social benefits, housing, kindergartens and health care. All of which may be scarce. Also, it may be necessary to collaborate with local businesses that offer vocational training and with local voluntary actors such as sports and religious organizations. Whether e.g. housing, training or employment opportunities are main obstacles for receiving and integrating refugees influences how the municipal leaders and councilors frame the issue. More positive material issue framings may include seeing immigration as an opportunity to slow down reductions in the number of inhabitants, or, for municipalities with excess welfare service capacity, an opportunity to make a profit when receiving the state settlement subsidy.

Results of Norway’s resettlement program

During the period 2000-2010, between 7 and 25 per cent of the municipalities rejected the request and did not wish to settle immigrants at all. The share of municipalities who fully accepts the state request has varied a lot from one year to another, e.g. 19 per cent in 2000, 77 per cent in 2005, 21 per cent in 2009 and 64 per cent in 2010 and a record low 17 per cent in 2012 (Source: personal communication with IMDi and IMDi’s homepage). Larger municipalities are often most restrictive in relative terms. E.g. the capital city of Oslo (about 600,000 inhabitants) was asked to settle 480 refugees in 2007, 510 in 2008 and 750 in 2009, and responded with accepting only 50-60 per cent in the respective years. By contrast, the small city of Vadsø (about 6,000 inhabitants), located in far Northern Norway, accepted all requests and settled 35 refugees in 2007, 120 in 2008 and 80 in 2009. A pool of “reliable” municipalities generally accept the yearly requests, while in peak periods the central authorities have to inquire also the less predictable who are more inclined to reduce or reject the appeal.

As mentioned in the introduction, the number of refugees that have been granted asylum, but remain living in refugee centers has increased significantly over time. Figure 1 below illustrates the development since 2000 (earlier comparable data are not easily available).
First, we see that the number of refugees local governments are asked to resettle (“settlement request”) fluctuates considerably over time. Since 2000 the number has averaged 7,700 per year, varying from 4,200 in 2006 to almost 14,000 in 2001 (related to the Balkan war). The number of refugees the local governments actually agree to resettle (“settlement result”) fluctuates far less. The average resettlement is about 5,000 refugees per year, varying from 3,800 in 2006 to almost 6,100 in 2009. The overall acceptance rate has declined when the number of requests has increased, and vice versa. The resulting number of refugees granted asylum but remain living in refugee centers at year’s end (“accumulated settlement deficit”) is today at its peak, with 5,034, up from a low 732 in 2006.

Market-type policy instruments

Central government’s main instrument to make local governments resettle refugees is a matching-grants scheme called the integration subsidy. The subsidy shall cover the municipality’s costs associated with providing housing and running the introduction program mentioned above. Municipalities with a cost-effective settlement-administration are supposed to be able to run a surplus that may be used for other municipal purposes. Municipalities are
not accountable to central government for how they spend excess funds. The subsidy is approved annually by the Norwegian Parliament as part of the state budget process and shall ‘contribute to prompt and satisfactory settlement’ (Prop. 1 S, 2012–2013: 231). The subsidy is calculated per refugee for the first five years after settlement. In 2012 the five-year subsidy amounted to 598,000 Norwegian Crowns (about 74,000 EUR) per person settled under the scheme. The subsidy has grown over time, with a 64 per cent increase in real terms since 1991 (see Figure 2).

![Figure 2 Five-year integration subsidy municipalities receive per settled refugee, 1991-2012 (Norwegian Crowns, NOK). Nominal values and real terms. Source: IMDi](image)

The combined effect of the increase in the economic compensation rate per refugee and the increase in the number of refugees is that total costs for the integration subsidy have grown to the point where today, it is a major post in the (1.000 bn.) state budget. For 2013 the integration subsidy is budgeted to more than five billion Norwegian Crowns (about 620 mill. EUR).

*Hierarchy-type instruments*

Introducing a right for central government to instruct local governments to resettle refugees has been discussed several times the past 25 years. An expert group of bureaucrats recommended in 1990 to enact a law to empower the state to instruct unwilling municipalities
to resettle the necessary number of refugees (Reported in government white paper, St. meld. Nr. 61 1989-90, 9). The Norwegian Association of Local and Regional Authorities (KS) was deeply concerned about the infringement on municipal autonomy and emphatically opposed the proposal. The state shelved the proposal.

Next time re-settlement came on the national political agenda was in 2000. Once again hierarchical instruments were kept off the table. A government white paper stated that ‘a large degree of municipal freedom and local self-government is a basic principle which shall also apply to refugees and immigrants’ (St. meld. 17, 1996-97: 90). Thus, the central authorities yet again expressed support for the principle of local autonomy and admitted their dependence upon finding municipalities willing to receive refugees.

Ten years later, in 2010, a critical report from the Auditor General instigated The Ministry of Children, Equality and Social Inclusion (BLD) to reconsider introducing more direct state intervention to speed up the resettlement process. The Auditor General’s report stated that “goal achievement has been poor during several years”, and in particular the resettlement figures were low for unaccompanied minors which in the report was expressed as a special case for concern (Report Auditor General, p.12. Riksrevisjonen, Dokument 3:3, 2010-2011). As a result, the ministry produced a white paper that proposed that if negotiations did not result in an agreement between the municipality and the authorities, the County Prefect should have authority to impose a solution on the municipalities (BLD 2011, p.9). After a comprehensive hearing-process the ministry froze the proposal. The municipalities, many County Prefects, KS and even The Directorate of Integration and Diversity (IMDi) rejected the proposal (Hernes 2012). IMDi argued that good re-settlement solutions and long-term integration depend on positive local attitudes and voluntary actions.

Central government’s impatience is yet again evidenced in this year’s framework agreement between the government and KS, The Association for Local and Regional Governments (see below). In the agreement the government clearly emphasizes that if the municipalities do not attain the resettlement goals during the agreed period, direct intervention is probable. According to paragraph 3.1 “if the objectives for settlement are not obtained in 2014 and 2015, the state will consider other instruments in order to solve this national task to which Norway is under obligation. KS will be consulted in this process”. The document does not mention what type of instrument might be relevant, but as the Ministry of Integration previously proposed in its dismissed ‘hearing letter’ of 2011, direct state instruction towards reluctant municipalities is high on the agenda.
Capacity for network governance

In response to the limited impact of its market-type instrument, the generous economic subsidies, and taking into account that hierarchical governance is unavailable (and possibly ineffective), central government has over time engaged in more and more network-type governance of resettlement. Direct interaction with municipalities, which is key to this type of governance, has required central government to build up a more specialized and localized capacity. It is against this background we should understand that The Directorate of Integration and Diversity (IMDi) was established in 2006, split off from The Norwegian Directorate of Immigration (UDI). The same rationale lies behind the fact that since 2006 IMDi’s organizational capacity has grown considerably. Its running budget doubled in real terms between 2006 and 2012 (from 90 to 180 MNOK in 2012-values), and its staff increased by 90 per cent (from 112 to 210 full-time equivalents). Not surprisingly, IMDi’ regional presence grew more than its central unit. In 2012 roughly 50 per cent of IMDi’s staff was employed in its five regional offices, compared to 40 per cent in 2006 (Statistics Norway 2013: 18, The Directorate of Integration and Diversity 2006, 2013).

Network governance by normative appeals

Opinion polls show consistently and over time that skepticism and xenophobia are common sentiments connected to immigration in general and re-settlement of refugees in particular (Integrieringsbarometeret IMDi 2012, Steen 2013). Local governments often respond to citizens’ skepticism by making restrictive local integration policies (Caponio and Borkert 2010). However, top elected and appointed leaders in local governments are different from other local stakeholders in that they feel obliged not only towards the local community but also towards national policies and laws. For example Helbling (2010b) finds in the Swiss case that the influence of popular opposition on actual naturalization practices is mediated by the attitudes and behavior of local leaders.

In Norway central government has realized that how local government leaders frame the issue of refugee settlement is vital for the outcome of the local political process (Steen 2010). The key for IMDi is to influence the municipal decision makers’ problem framing which may buffer towards local symbolic politics. The chances of positive responses to requests to settle refugees increase if local leaders can be persuaded to frame resettlement not in immaterial or symbolic terms (cultural threat) but rather in material terms. That means that seeing it as such that whether or not the municipality can settle refugees depends on the
availability of housing, educational capacities, vocational training capacities, etc. Those are potential obstacles for which the integration subsidy can be the solution. Central government can, by reference to experience, evidence and rationality, try to persuade local governments that local short-term economic benefits outweigh costs, and that immaterial concerns for long-term immigrations deficits are unsubstantiated. Reducing local popular xenophobia is outside the boundaries of what central government can accomplish, at least in the short term. What the state can do is to contribute to the insulation of the re-settlement process from local politics and a critical public opinion by stimulating new administrative arenas for multi-level governance and leadership.

This rationale lies behind IMDi’s putting more and more effort into interacting directly with local government leaders. Regionally located IMDi representatives travels extensively to local governments, invite themselves to speak to leaders and the local council, get to know local leaders personally, etc. This is a resource demanding way of governing, as mentioned above, but it is a route central government has felt forced to take.

Network governance by partnerships

After the proposal to start instructing local governments to resettle was frozen in 1990 (see above), the government introduced a system of negotiations between the state and the Association of Local and Regional Authorities (KS). Before sending a request to the municipalities, the government would hereafter negotiate an agreement with KS about both the number of refugees to settle and which municipalities to ask to settle them. KS has no authority to bind its members, but the hope was that coming to an agreement with KS would convince municipalities to accept the state’s requests for re-settlement. As we have seen, implementation problems continued. The framework agreement between the government and KS has nonetheless remained part of the overall resettlement program. Several attempts have been made at making the framework agreements more binding. Following the freezing once again of a proposal to start instructing settlement in 2011-12 (see above) the minister of integration stated in a newspaper: ‘‘the government and KS are now working to realize a binding agreement of cooperation…Such an agreement presupposes that each municipality takes its share of responsibility…Re-settlement of refugees who have legal permission to stay in Norway must be something that is taken for granted and is seen as a part of the daily operation in all municipalities … on line with other obligations nobody questions. Like
providing schools for our children and nursing for our elderly” (Minister of Integration, Inga Marthe Torkildsen in Dagsavisen January 27th 2013).

The framework agreement from the spring of 2013 signals a more active state. It was signed by the Minister of Integration (BLD), the Minister of Justice (JD), the Minister of Municipal Affairs (KRD) and the leader of the Federation of Municipalities (KS) and is much more tangible than the previous agreements. The agreement specifies that the municipal sector commit itself to offer a minimum of 7,500 places for refugees in 2013 and the number needed for the rest of the period 2014 and 2015. Still there is a paragraph about local autonomy preserving that “the single municipality shall decide how many that shall be settled every year” (§2.5).

Since 2010 IMDi has deepened its commitment to partnerships as a policy instrument by engaging in long-term agreements with individual local governments. The Auditor General’s critical 2010 report mentioned above played a part in this development. The Auditor General report did more than recommend more hierarchical governance; it also recommended the opposite, namely closer voluntary cooperation between IMDi and individual local governments. The report singled out for praise an existing cooperation between the city of Trondheim and IMDi’s regional branch. This cooperation, called a cooperation agreement, has become a model upon which five out of IMDi’s six regional branches now shape cooperation agreements with individual local governments. As of July 2013, 37 such partnerships have been agreed.

The length and content of cooperation agreements vary somewhat, since negotiations with municipalities are individual and since the regional branches of IMDi have some autonomy in how they work with municipalities in their regions. In terms of length, some agreements, like the one between IMDi West and Haugesund municipality, have six-year scopes, but most agreements have three-year scopes. In terms of content, the agreements first and foremost commit municipalities to resettle a specified number of refugees. IMDi typically commits to settling refugees as evenly as possible within and between years, to allow municipalities to plan ahead. IMDi also typically commits to providing relevant and timely information and to help organize municipalities’ cooperation with regional state departments such as The Norwegian State Housing Bank, The Norwegian Labour and Welfare Service, and The Child Welfare Service. Some cooperation agreements commit municipalities to certain ways of making decisions. One example is the 2012-14 cooperation agreement between IMDi Mid-Norway and the municipality of Levanger. Here Levanger commits to
incorporating re-settlement and integration in ordinary municipal planning routines. We have also found one instance of IMDi committing to allowing a municipality (Songdalen municipality) some influence on which refugees they will receive by having the possibility for screening “in order to make sure that immigrants are motivated for re-settlement in the municipality” (Cooperation agreement dated 23.5.2012. Sogndalen.kommune.no).

**Discussion and conclusion**

The preceding section has shown that despite spiraling subsidies and persistent and costly efforts from central governments towards network governance, the implementation deficit remains. It even grows. The number of refugees with granted asylum stuck in refugee centers increases every year. According to a simple logic of consequence, we would expect central government to let go of its sensitivities for local self-rule and introduce a mandate for IMDi or County Prefects to start instructing settlement, like Denmark has done. The opposite has happened. Central governments has stuck with the subsidiarity principle, IMDi even explicitly so several times, and instead worked hard on normative appeals and new forms of partnerships with local governments. The reason for this paradoxical development appears to be central government’s fear that hierarchical governance will harm the realization of longer-term integration objectives. However, central government is in a dilemma between securing integration of those actually settled in local communities and deterring integration of those stuck in refugee centers. When the accumulated number of people stuck in the centers is higher than the number settled for a given year, which is close to the situation today, chances are the rationale for instructed settlement is too strong to resist.

It remains to be seen if the newly established coordination agreements with individual local governments will be effective. This is a novel and practically and scientifically interesting approach, but so far the experiences are mixed. According to IMDi, only 17 of the 37 municipalities that had entered these agreements accepted to settle the requested number of refugees in 2012. Director of IMDi, Mr Geir Barvik, expresses pessimism for future resettlement in an interview published on IMDi’s homepage (published Nov. 15 2013): “I am of course disappointed that so few municipalities have responded to the [latest] request [to settle refugees] … the prognoses give no reason for optimism for resettlement of refugees in the years to come”. The time seems to have come for draconic governance.

A broader lesson to be drawn from this study is that multilevel governance and public policy research should reflect more upon difficulties associated with including in the same
policy program instruments with conflicting assumptions about local governments’ motivations for contributing to national policies. The Norwegian case explored here has tried unsuccessfully to combine policy instruments that presume the existence of a common utility function between central and local government (Scharpf 1988: 259-60) with instruments that do not such commonality. Does the use of one drive out the effect of another?

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