Who is Driving the Bus?

An Exploratory Study of Actors’ Perceptions of Accountability in The Swedish Public Bus Sector

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ABSTRACT

The past decades New Public Management (NPM) reforms in the public sector have changed how the mechanisms of accountability work. One type of reform is the privatization of public service provision. These services are today often procured with extensive regulations involved. Many academics argue, under the concept of juridification, that legal institutions have a bigger impact than policies in these activities today (Magnussen & Nilssen, 2013; Blichner & Molander, 2008; Laughlin & Broadbent, 1993) and that the legal contract plays an important role in governing them (Camén, 2011; Brown & Potoski, 2005). In this study we explore how the actors involved in provision of public services perceive accountability. We do this by investigating how politicians, civil servants and service providers involved in the provision of public bus services in Sweden perceive their roles, the procurement regulations’ roles and the legal contracts’ roles. We conclude that, in the case where the service provider is a private company, the legal contract plays an important role in how the accountability is perceived by the actors involved. Further research is needed to see if our results also apply to the contexts of other provisions of public services.

Key words:

New Public Management, accountability, juridification, contract management, regulations, perceptions, public procurement, provision of public service, politicians, civil servants, service providers, public bus service.
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INTRODUCTION

During the past decades organization and governance of the public sector has changed fundamentally through a wave that has become known as “New Public Management” (NPM) (Hood, 1995). Inspired by private sector practices many western countries introduced reforms in public administration such as increased decentralization, a customer focus, new forms of accounting, performance measures and management accounting (Power, 1997, p. 43; Hood, 1995). Some of the intentions behind the NPM reforms were to lessen the differences between private and public sectors and create a change in public accountability to make it more equivalent to the accountability mechanisms found in the private sector (Hood, 1995).

The NPM practices have been criticized both by academics (Adcroft & Willis, 2005; Catasus & Grönlund, 2005) and in the public debate (Zaremba, et al., 2013) of focusing on the wrong things. Despite the criticism, NPM practices governs and sets the context for how the public sector is organized today.

One important NPM reform was the marketization and later also introduction of competition in the public sector activities, often referred to as privatization (Hood, 1995; Cheung, 1997). Today many public sector activities in Sweden are exposed to competition as they are put out for tendering (also known as public procurements) on a market where private companies have the possibility to tender and win the contract and right to deliver the service. This is regulated by extensive regulation like the Swedish Procurement Act (Lagen 2007:1091 om offentlig upphandling), which in turn are based on EU-directives. Some academics argue that the outcomes of public services have become more dependent on legal institutions than politics (Magnussen & Nilssen, 2013; Blichner & Molander, 2008; Laughlin & Broadbent, 1993). As an effect of these changes there has been an increased emphasis on holding various actors in public service provision legally accountable (Scott, 2000). The relationship between political goals and its increased affection by laws have in the literature been discussed and conceptualized under the term of juridification. However this literature has so far provided few answers on the practical implications of juridification processes and what balance between politics and laws that is the most desirable (Magnussen & Banasiak, 2013). Furthermore, as the provision of public services has increasingly been put out on tendering, the legal contract and its design has become more and more important as a governing tool. (Camén, 2011; Brown & Potoski, 2005).
Scott (2000) argues that these developments has caused a fragmentation of the accountability mechanisms in public management as the provider of the public services now only can be held responsible to terms stipulated by the contract and what was agreed upon when this was signed. Accountability per se is an elusive concept that can take many different shapes, but simply explained it is about what actions one can be held accountable for and an obligation to explain and justify the actions that has been taken and how resources have been used (Sinclair, 1995; Scott, 2000; Power, 1997). Sinclair (1995) mapped the different types of accountability perceived by civil servants that have emerged under NPM. However, the literature does not tell us much about the perceptions of accountability by other actors such as politicians and service providers in specific contexts of public service provision and how these forms of accountability interrelate to each other and forms a whole. An understanding of these perceptions of accountability studied in a specific context of public service provision could help us understand how accountability takes form and who can be held accountable for what in the NPM context where laws and contracts have gained a more important role than it played before. However, it is important to mention that the provision of public service is ultimately a political responsibility that cannot be renounced even if the production of the services is procured by civil servants from private providers (Hood, 1995; Rose, 1991). Although with that being said, it is not certain that the actors’ actual perceptions of accountability are perfectly aligned with this order.

Public bus service is one kind of public activity that involves a substantial amount of money, has large social impacts and is an important political issue (Nilsson, 2011). Like many other public activities, bus services have during the two to three last decades been deregulated and privatized both in Sweden as well as in many other western countries such as Great Britain, Australia, New Zealand, United States, Denmark, Finland, Norway (Hensher & Wallis, 2005; Alexandersson, et al., 1998). The form of the deregulations have varied in the details but a common denominator is the occurrence of competitive tendering and contracting as an instrument for the privatization and rationalization of public bus services (Hensher & Wallis, 2005; Brown & Potoski, 2005). Several studies have analyzed the economic effects of these regulations. The findings, explained by different reasons, are that substantial cost savings have been accomplished during the first rounds of tendering after deregulation but that these effects have been hard to maintain (Hensher & Wallis, 2005; Perry & Babitsky, 1986; Leland & Smirnova, 2009; Alexandersson & Pyddoke, 2003). However, while quantitative studies on the reforms effects have been made, the literature doesn’t dig deeper and explain how the
actors involved with the provision of bus services perceive their situation where the service now are procured and provided by private companies.

The purpose of this study is to extend our knowledge of how accountability for public bus service provision is perceived by politicians, civil servants and providers involved in this activity. More specifically we do this by investigating the different actors’ roles and how the accountability is related to and affected by the procurement regulations and legal contracts. Hence this study focuses on answering the question:

- How do the actors perceive 1) their roles, 2) the role of the procurement regulations and 3) the role of the contract in the provision of public services?

This paper begins with a literature review where the concepts of accountability, juridification and contract management are explained and discussed. In the methodology section we describe the methodological approach we have chosen in order to answer the research question. This has mainly involved the collection of qualitative data by the conduction of semi-structured interviews with key actors in the provision of public bus services in Sweden. An explanation to the choice of informants and how the data was collected and presented is given. Limitations of our methodological choices are discussed in the end of the section. The empirical section starts with a brief description of the Swedish public bus sector and continues with a presentation of collected primary data in the form of several main topics related to the actors’ roles, the regulations and the contract. In the analysis we compare and analyze our empirical findings with the concepts of accountability, juridification and contract management. Finally we summarize our conclusions from the analysis and discuss implications for both academia and practice. We also give suggestions for further research and discuss the limitations of our study.
LITERATURE REVIEW

A number of researchers in the NPM field have challenged claims that public sectors are moving towards a global convergence of public administration practices (Hood, 1995; Goldfinch & Wallis, 2010; Pollitt, 2001). A more justified claim is that NPM entails a number of observed empirical phenomena within a particular public sector. These phenomena are in turn contingent upon conditions specific to said context, as opposed to the now criticized view of a global convergence towards public sectors becoming “entrepreneurial governments” (Adcroft & Willis, 2005; Pollitt, 2001; Power, 1997). In spite of the vast critique on notions of global convergence on public administration principles, a few key shifts of perceptions have been identified in the literature, leading towards the NPM phenomenon.

NPM AND ACCOUNTABILITY

Particularly the concept of accountability has been considered important amongst researchers (Hood, 1995; Sinclair, 1995; Scott, 2000). It has been argued that the purpose of NPM reforms were to change perceptions of accountability for public service provision in order to create an increased accountability for public services (Hood, 1995; Catasus & Grönlund, 2005). The concept is elusive however. Power (1997) argues that accountability entails providing an “account” where one makes visible to oneself and others the actions undertaken in order to justify them. How actors perceive their obligations is an important part of the concept of accountability, as actors at times may face contending justifications for their actions (Sinclair, 1995; Kraus & Lindholm, 2010). For public bureaucracies researchers argue that public accountability involves justification for actions undertaken by government bodies on behalf of the people (Hood, 1995; Scott, 2000). Prior public administration regimes such as progressive public administration (PPA), perceived public accountability as maintaining the integrity of the democratic process (i.e. the minimization of corruption) by making sure policy was not influenced by administrators for example (Hood, 1995). The success of neoliberal values campaigning for greater fiscal responsibility facilitated the shift towards a new perception of public accountability within public bureaucracies, namely managerial accountability (Catasus & Grönlund, 2005; Power, 1997). In order to achieve this new found perception of accountability, public bureaucracies borrowed a number of common practices within the private sector. For example, competition and marketization which was considered characteristic of the private sector became the fundamental ideas to drive the public sector (Hood, 1995). The provision of public service was to have clearly defined purchaser and provider units. By distinguishing between purchasing and providing units organizational
boundaries were opened up and, a form of quasi market within the public sector was formed, where organizational units competed against each other (Power, 1997; Jones, 1999). Apart from the intra-organizational competition, it was argued that an even broader competitive environment could be achieved by engaging in private-public relationships (Denhardt & Denhardt, 2000). The engagement of private sector actors in the public services took different shapes, which all fell under the umbrella of privatization (Broadbent & Guthrie, 2008; Guthrie, 1993; Cheung, 1997). Heald (1984) argues that privatization has had mainly four kinds of components: (1) Privatization as selling of publicly owned assets or entire enterprises to private actors; (2) privatization as regulatory relaxation, where private actors are granted access to previously restricted markets due to statutory changes; (3) privatization as user charging, which means that public services transition from being tax financed to being funded by a user-based charge; and (4) privatization as contracting out of public services to private sector providers. Amongst these four components of privatization, contracting out of public services has increasingly become adopted as the primary form of private-public relationship in western countries (Cheung, 1997; Arlbjørn & Freytag, 2012). Within the EU and other western countries the contracting out of public service has been regulated through comprehensive public procurement acts, which go in to great detail regarding how the process should be undertaken (Lian & Laing, 2004; Cheung, 1997). Some of the underlying values used to rationalize the development of procurement acts include, a free, competitive and transparent market in order to facilitate the efficient and effective use of public resources (Arlbjørn & Freytag, 2012; Roodhooft & Van den Abbeele, 2006; Lian & Laing, 2004).

Decentralization to smaller units accompanied by improved managerial autonomy was believed to facilitate the decision-making processes involved in public service provision (Hood, 1995). In order to ensure the achievement of civic goals an increased reliance on law and legal competence as governance mechanisms emerged (Scott, 2000). Law was considered to be a form of unbiased and explicit type of governance, in a sense enabling the minimization of unwarranted use of power (Rose, 1991). The provision of public service saw an inclusion of legal accountability, which entails increased governance inspired by the legal concepts by holding actors accountable through courts, as well as a legal reasoning towards conflict solving outside of actual courts. (Scott, 2000; Glynn & Murphy, 1996; Blichner & Molander, 2008). Although interaction between government units took the form of quasi-legal contracts, interaction was increasingly contract governed and inspired by legal reasoning. It became clearly stated which unit that is purchasing and which unit that is
providing services. The outset was that parties were able to have explicit responsibilities stated in a legal contract in hope of achieving transparency, where each party knows exactly what their duties are (Scott, 2000; Kurunmäki & Miller, 2006). Further, by clarifying each party’s respective responsibilities, some appropriate performance measures can also be used to hold each party legally accountable to what was agreed upon in the contract (Sinclair, 1995; Scott, 2000; Kurunmäki & Miller, 2006). However, when contracting out public service some argue that accountability mechanisms become fragmented. Scott (2000) argues that private providers solely are accountable to the contractual terms placed on them, which in turn depends on the contracting process, and technical knowledge of the managers involved in these processes (Hensher & Wallis, 2005). Rose (1991) argued that solutions to political issues are more and more dependent on such technical knowledge regarding law, statistics, financial measurements etcetera. Subsequently various audit practices proliferated as a means to ensure that actors could be held accountable (Power, 1997). Besides legal aspects of accountability such as compliance issues, audits were focused on performance as well, which required an inflow of new financial measures to the public sector (Morin, 2001; Hood, 1995; Power, 1997). Thus NPM reforms have been argued to have led to an increased focus on new forms of accountability. Public bureaucracies became increasingly involved in holding actors legally accountable for the performance and provision of public services (Hood, 1995; Scott, 2000; Rose, 1991).

**JURIDIFICATION**

NPM reforms across many western countries brought about a change in the perceptions of accountability. As an increased focus on holding actors legally accountable for the provision and performance of public service emerged, public bureaucracies faced what authors in the field call juridification processes (Laughlin & Broadbent, 1993). These processes have been argued to occur in various settings in society and can be seen from different perspectives. Seen from the perspective of society as individuals, researchers have focused on how different actors perceive themselves and their obligations towards others (Blichner & Molander, 2008). It has been argued that juridification processes from this perspective involves the individuals perception of himself as a legal subject with rights and duties stated in law. In many western countries, an apparent shift in decision-making and oversight authority has been observed from political institutions to the judicial and/or quasi-judicial institutions by the increased focus of holding actors legally accountable (Magnussen & Banasiak, 2013; Magnussen & Nilssen, 2013; Blichner & Molander, 2008). By transferring
authority away from the political arena, to the judicial arena, some argue that political issues become stabilized and effectively on “autopilot”. Political representatives in such cases increasingly consider themselves as legal subjects with rights and duties stated in law. In other words traditional top down political considerations become replaced by rights and duties that are framed in legal contexts (Blichner & Molander, 2008; Magnussen & Nilssen, 2013). Magnussen & Banasiak (2013) further argue that political representatives in such cases become more involved with legal formulations, processes and managing the already established regimes rather than considering other forms of justifications. This in turn can have effects on the chain of responsibility from citizens to political representatives (Magnussen & Nilssen, 2013).

Law became increasingly relied upon because it was considered impersonal and therefore able to hinder the unwarranted use of power (Rose, 1991). In most western countries, when public bureaucracies contract out services they follow procurement procedures. These procedures are characterized by comprehensive and detailed regulation. In the case of EU, all member states are required to follow the same directive that essentially attempts to create an open market for public procurement within the EU (Gelderman, et al., 2006). However these EU directives are in turn interpreted by the member states, and implemented in national laws (Blichner & Molander, 2008), for use when a particular contract does not meet the thresholds specified for a EU wide tender (Gelderman, et al., 2006). The relationship between EU directives and political goals has been described as challenging, where it is unclear how much they facilitate in achieving said goals (Gelderman, et al., 2006). In this respect, juridification processes have been argued to have an effect on the relationship between law and politics and therefore society as a collective. Juridification remains a vague concept however which entails some contrasting viewpoints; most of the literature on the topic discusses the proliferation of law and its implications on the democratic process (Magnussen & Banasiak, 2013; Blichner & Molander, 2008; Laughlin & Broadbent, 1993; Magnussen & Nilssen, 2013). How citizenship should be understood has been considered important in this regard, where some argue that a tension between social and political citizenship exists (Magnussen & Nilssen, 2013). Social citizenship maintains important social freedoms such as, education and welfare. Political citizenship maintains the collective aspects of decision-making and participation.
Magnussen & Banasiak (2013) much like Laughlin & Broadbent (1993) argue that for western countries, law and politics are somewhat autonomous spheres in society. However they are only partly so, due to the fact that western countries base their laws and politics on shared values of the democratic processes and human rights. It has been considered important to make clear the relationship between laws and political goals. This has been considered challenging however, because considerations have to be made for society to act as individuals as well as a collective (Magnussen & Banasiak, 2013). Therefore researchers in the juridification literature maintain that depending on the nature of the challenges faced by society, the implications on both the legal sphere and the political sphere may vary (Blichner & Molander, 2008; Magnussen & Banasiak, 2013). Magnussen & Banasiak (2013) argue that in order to solve contemporary challenges, society at times can be pulled by either one of the spheres. The legal sphere may do so by implementing laws that make clear what actions are appropriate and which ones are not. The political sphere may do so by opening up for debate what actions society deems appropriate and which ones that are not.

Critics of juridification tend to argue that a defined threshold level to juridification processes exist where societies’ ability to act becomes inhibited rather than strengthened (Laughlin & Broadbent, 1993). Laughlin & Broadbent (1993) further argue that there are certain kinds of law that contribute to this. Politicized law is claimed to entail such law that coerces the legal subjects to act in a certain way in order to achieve a certain political goal. Further, Laughlin & Broadbent (1993) argue that such kinds of laws are inherently political and if not reflected entirely with the general public, are a threat to the democratic process. Preferably would be to stipulate certain goals for society, but granting autonomy with regards to what kinds of actions society can undertake to achieve them. Although the provision of public service has become increasingly characterized by legal accountability and governing through contracts additional exploratory research needs to be conducted in different fields in order to definitively make normative suggestions regarding juridification in society (Magnussen & Banasiak, 2013; Blichner & Molander, 2008).
CONTRACT MANAGEMENT
Distinguishing between purchaser and provider of public services was considered to be an important part of the NPM phenomenon. Therefore the use of legal contracts between the different parties involved became increasingly important (Hood, 1995; Sinclair, 1995; Kurunmäki & Miller, 2006). Although contract management theory is not considered unified, a couple of established definitions of what a contract is do exist (Camén, 2011). From a legal perspective contracts are legally enforceable agreements between parties, where offers are made and accepted. A broader definition includes, planning for possible future contingencies and enforcement of penalties for the case that fulfillment does not occur (Brown & Potoski, 2005; Camén, 2011). In other words, contracts can be seen to state obligations in the present but also used to prevent possible future contingencies between the parties (Camén, et al., 2011; Brown & Potoski, 2005; Camén, 2011). By entering a contract engagement and explicitly stating each parties’ obligations, uncertainties are hoped to be avoided, as well as any costs related to those uncertainties (Brown & Potoski, 2005).

How contracts are stipulated and used vary greatly depending on contexts specific to the kind of business environment viewed (Camén, et al., 2011). It has been argued however that the nature of the contract is that they may vary with regards to how explicit the content is formulated (Brown & Potoski, 2005; Camén, et al., 2011). Complete and transactional contracts have a clear focus on explicit rules, as well as an inclusion of all possible foreseeable contingencies, leaving little room for interpretation and debate (Lian & Laing, 2004; Camén, et al., 2011). As a contrast, a number of less detailed forms of contracts exist. For example relational contracts, where the primary goal is not necessarily to conceptualize all possible contingencies beforehand, rather a focus on developing the various processes and outcomes in the long run (Lian & Laing, 2004; Camén, et al., 2011). On the other hand, they may not offer quite the same prevention against uncertainties as might a stricter contract form (Camén, et al., 2011).

The decision whether to contract out the provision of public service and what kind of contract public bureaucracies should implement in order to achieve value for money (VFM), is not a straightforward process. Developments across a number of western countries provide evidence of factors that public bureaucracies may consider when facing such a decision. The considerations that contract management literature has identified as important for public bureaucracies to take in to account have been related to transaction cost theory (Brown &
Simply put transaction costs are the costs that an organization incurs in order to complete a task. Such costs are incurred both when services are provided in-house and when contracted out (Brown & Potoski, 2005). Examples of which may include processes for following up contractual agreements, adaptation processes, and information asymmetries attributed to the service (Hensher & Wallis, 2005; Leland & Smirnova, 2009). Initial competitive tendering initiatives have provided evidence of efficiency gains. During the 80’s when privatization swept the western countries, privately owned and privately operated public bus service in the USA were able to produce more volume on the dollar compared with publicly involved governance structures (Perry & Babitsky, 1986). Competitive tendering for public bus services in Australia provided cost savings, after more than two decades of public provision (Wallis & Bray, 2001). Transaction costs that were reduced were mainly administrative, such as planning and marketing.

Leland & Smirnova (2009) revisited the study by Perry & Babitsky (1986) and were able to conclude that privately owned and privately operated solutions were no longer more efficient than publically owned solutions. The initial transaction cost savings proved difficult to repeat in the subsequent retendering rounds (Leland & Smirnova, 2009; Hensher & Wallis, 2005). In cases like the provision of bus service, managers have claimed that it is a high transaction costs service due to relatively high asset specificity, despite the fact that it is fairly easy to measure quality and outputs (Brown & Potoski, 2005). Yet another issue which has been considered is that competitive tendering for public service is challenging due to difficulties of coinciding civic goals with goals of the provider (Brown & Potoski, 2003; Hensher & Wallis, 2005).

With the above discussion in mind, competitive tendering for public bus service has been argued to require a lot from public managers to evolve and become smart buyers (Brown & Potoski, 2003; Leland & Smirnova, 2009). However researchers also argue that transaction cost theory maintains that it is impossible to specify all future contingencies beforehand. There are risks involved with competitive tendering. For example, public bureaucracies might think they understand what factors should be considered and asked for in the procurement process, but throughout the contract period this changes (Hensher & Wallis, 2005; Leland & Smirnova, 2009). Yet, contracting for such high transaction cost operations like public bus service seems more common than in-house production for instance. Subsequently,
competitive tendering in the case of complete contracts requires considerations to be made ex ante final awarding as the scope of negotiation after awarding is limited (Camén, et al., 2011; Hensher & Wallis, 2005).

**SUMMARY OF LITERATURE REVIEW**
The aim of our study is to get a deeper understanding of how accountability for public service provision is perceived by politicians, civil servants and providers involved in the process. In order to fulfill our aim and answer our research questions we have reviewed the NPM, juridification and contract management literature. The NPM literature was initiated with a presentation of the concept of accountability and how NPM reforms were undertaken with the purpose of changing perceptions of accountability (Hood, 1995; Catasus & Grönlund, 2005). Prior to these reforms government was mainly involved with the minimization of corruption by limiting influence from civil servants in political matters. What followed was the introduction of new forms of managerial accountability by opening up organizational boundaries and a marketization, both between public organizations and between public and private organizations (Jones, 1999; Power, 1997). Further the literature has discussed how legal accountability emerged, by an increased focus on holding various actors legally accountable for the provision and performance of public service (Glynn & Murphy, 1996; Rose, 1991; Scott, 2000; Blichner & Molander, 2008). In the juridification section, we presented research that focus on juridification processes both on the individual and collective levels of society. The findings from research on the individual level include how political representatives and others perceive themselves as legal subjects with obligations and rights stated in law (Blichner & Molander, 2008; Magnussen & Nilssen, 2013). On the collective levels research has focused on the relationship between law and politics and how law has a stabilizing effect on actions which are political in nature (Blichner & Molander, 2008; Laughlin & Broadbent, 1993; Magnussen & Banasiak, 2013). In the contract management section we presented research on contractual considerations involved when contracting out for public service (Brown & Potoski, 2003; Hensher & Wallis, 2005; Leland & Smirnova, 2009). This also included how contracts are claimed to state obligations for the parties involved. The opportunity to later adapt the provision of public service in a particular contract engagement varies depending on how explicit the obligations are stated in the contract. Consequently contracts have come to act as an important governing function in the provision of public service (Camén, et al., 2011; Hensher & Wallis, 2005).
METHODOLOGY
This study began with a literature review of scientific articles in the NPM and accountability field. The purpose was to get an understanding of how the mechanisms of accountability in the provision of public services had changed under NPM and what kind of problems it might have given rise to. We discussed these changes in accountability mechanisms in relation to the new context of NPM where legal institutions are getting more important than the politics and the legal contracts increase in importance in the field of public service provision. The literature has however not been able to fully explain how the new forms of accountability mechanisms are perceived by different actors in a particular context of public service provision and further research is needed. By doing an exploratory study on how these key actors themselves perceive their roles as well as the roles of the procurement regulations and contracts and analyzing their relationships to each other and accountability mechanisms we can contribute to a deeper understanding of how accountability in the provision of public services takes form today.

We studied the perceptions of accountability in the context of public bus service provision in Sweden. The provision of public bus services in Sweden is coordinated by 21 regional transportation authorities (RTAs). These RTAs are governed by political boards where politicians decide about where and how bus traffic shall be provided. The civil servants working in the RTAs operationalize the tasks assigned by the politicians. This takes form as procurements of bus services from private providers in most cases, but also as direct contract assignments to some few public providers. Thus this activity involves all the actors we are interested in, namely politicians, civil servants and service providers.

DATA COLLECTION
The collection of data started with the conduction of a minor pilot study where we met and had an open conversation with one informant at the Department of Business Studies at Uppsala University. The informant is both a teacher and an active politician who has formerly worked as a county council commissioner and has practical knowledge about the political processes of public bus service provision. Furthermore, as a university teacher, the informant also has an academic knowledge and understanding of the problems involved with our topic. This meeting was of great importance since we were guided into the various problems of procurements of public services and specifically in the field of public bus services. We also
got guidance in where to find secondary data as well as which specific key actors we could interview in order to collect the primary data needed.

Secondary data has been collected throughout the process of our study. This data included different reports and homepage materials from industry organizations, counties, RTAs and providers. We have also read about the deregulations of the Swedish public bus sector to better understand the context. The secondary data enabled us to triangulate all data collected and improved the collection of primary data. The primary data was collected through nine semi-structured interviews.

Since the purpose of this study was to explore how different actors involved in the provision of public bus sector perceive accountability we considered that it was natural to collect data directly from these actors by conducting semi-structured interviews. The semi-structured interviews enabled us to get a depth in the data that is suitable for this kind of exploratory study where the aim is to get a deeper understanding of different persons’ perceptions (Bryman & Bell, 2011, pp. 467-473). This method has enabled us to interpret the atmosphere and feelings of the actors. Furthermore we have been able to ask follow-up questions when necessary and let the flow of the conversation guide the interview into new interesting topics. Because of this flexibility the interview discussions did not always followed the order of topics that was set by our interview guide. We did however make sure to cover all the topics included in the guide during each interview. One risk we as researchers faced when using interviews as a method for data collection was that we could have influenced the answers of the informants by asking leading questions or leading the discussions into specific topics in a non-objective way (Bryman & Bell, 2011, p. 215). We have tried to avoid this kind of bias by being aware of the risks and by developing an objective interview guide in cooperation with our supervisor who has given us advice on the questions and topics covered in it.

Our interview guides were developed with the discussions in the literature as well as those from the pilot study in mind. The different guides had the same basic structure. They all began with background questions which enabled a soft start of the interviews as well as a possibility for us to assess the quality of the data. Subsequent questions in all guides were related to the provision of bus services. These last sections of the guides were aimed to cover the different topics discussed in the academic literature in order to collect the actors’ perceptions of their own roles as well as their perceptions of the roles of procurement
regulations. Since we interviewed five different types of actors we had to make slight adjustments of some questions to better match the specific type of actor. In the end five different interview guides were used, see Appendix A, B, C, D and E. All interviews were recorded and transcribed to enable a more rigid analysis of the data.

To keep the informants anonymous we have coded them according to what kind of actor group they belong to. This did not affect the results of our study since it was not our purpose to explore how specific organizations or persons perceive accountability but rather different kinds of actors involved in the provision of public bus services. Therefore the anonymity was not an obstacle in the fulfillment of this purpose. In order to ensure anonymity, we handled the empirical material with consideration. To maintain a professional contact with the persons and organizations who took part in our study, we relied on ethical research principles such as those presented by Swedish Research Council (Vetenskapsrådet, 2002).

Of our nine interviews eight were conducted at the informants’ home offices while one interview, with a county auditor, was conducted in a private room at a library. We interviewed two politicians (Politician 1 and 2), two directors at RTAs (RTA 1 and 2), two tenderers at private providers (Private Providers 1 and 2) and two CEO’s at public providers (Public Providers 1 and 2). These eight informants are key actors in the provision of public bus services as it is the politicians who sets the objectives for the RTAs that in turn buys bus services from the providers. To enable data triangulation and getting yet another perspective we have also interviewed a county auditor (County Auditor 1) to make our data even more reliable. See Table 1 for a summary of the different informants interviewed.

Politician 1 has been and Politician 2 is a member of the board that governs RTA 1. They were once both members of the board at the same time but represented different political parties. One of the politicians represents a party currently in power and the other represents a party in opposition. The two directors (RTA 1 and 2) are civil servants at two different medium-sized regional transportation authorities (RTAs) in Sweden. RTA 1 buys bus services both from Public Provider 1 (directly assigned) and Private Provider 2 (procured). RTA 2 buys almost all of their bus service from Public Provider 2. The services bought from public providers are sometimes in our study referred to as “in-house produced bus service”. RTA 1 and Public Provider 1 are owned and controlled by the same county. That is also the case with RTA 2 and Public Provider 2. The tenderers at Private Provider 1 and 2 work for
two different private bus companies. These companies are two of the four big market leaders in the industry (Dagens Samhälle, 2013). The tenderers job is to tender on the procurements initiated by the RTAs in Sweden.

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<th>Actor</th>
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<tr>
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<tr>
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<td>RTA 2</td>
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Table 1. Informants.

County Auditor 1 is an objective internal county auditor that, among other assignments for the county he works for, has the responsibility to review RTA 1’s operations and its political board. In other words this person had insights into the work conducted by the director at RTA 1 and Politician 1 and 2’s work in its political board. In Figure 1 we summarize and provide a map of the existing relationships between the actors in this study. Note that Private Provider 1 currently does not have any relationship with the other actors; however they have for example earlier taken part in a procurement process conducted by RTA 1.

Figure 1. The interviewed actors and their relationships to other interviewed actors.
DATA PRESENTATION AND ANALYSIS
After the transcriptions of the interviews were finished we had a rich set of primary data consisting of 188 pages or 76,540 words. The data was continuously analyzed and compared to the findings in the research literature in an iterative manner (Bryman & Bell, 2011, pp. 574-576). Basically we discussed and analyzed empirical findings in relation to the research immediately after an interview was conducted. This iterative process also guided the primary data collection. Interesting discussion topics that emerged in the first interviews were followed up and discussed in later interviews in order to grasp different perceptions and opinions. When all data had been collected and transcribed we discussed and codified the rich material into a fewer set of main topics that had been discussed most frequently during the interviews. These main topics influenced the way we present our data. The different subheadings in our empirical section each represent one main topic discussed during the interviews. In each section we summarize the most important and contrasting perceptions of that topic. The presentation of the main topics follows an order that is similar to the whole chronological process of public bus service delivery. We begin with the discussions of how politicians decide upon where and how the bus services are to be conducted. Since the traffic is in most cases procured we continue with the discussion topics about procurement competence, regulations and appeals in connection to that process. Sometimes the traffic is produced in-house by public providers, hence the discussion topic of in-house production that follows. This topic leads to discussions about the relationships with RTAs and providers and the contracts role in governing these relations. We conclude the empirical section with discussions about the market situation and evaluations of services. The different opinions and perceptions presented in the different discussion topics have then later been juxtaposed and discussed in relation to the research question in order to provide an understanding of how the accountability mechanisms work in the studied context.

LIMITATIONS OF THE STUDY
Our study is limited in the sense that only eight actors have been interviewed. We can therefore not say that this is a perfect portrayal of how all the actors in the provision of public bus services in Sweden perceive accountability. However our intention was not to make generalizations of all actors in this field but rather explore how some of the actors perceive it and thus get a deeper theoretical understanding of accountability mechanisms. In our data we found many different and opposing views from different actors under the same discussion topics. Thus we believe that we have captured meaningful perceptions that exist in the sector.
Furthermore we have strengthened our collected data by triangulating it against secondary data and the interview with the county auditor that provides a slightly different perspective of the discussions.

Another limitation with this study could be the interviews of the politicians. These actors often have a strict political agenda to stick to and this could result in that they have given the answers to us that are in line with their political parties’ opinions rather than their personal opinions. In order to decrease the impact of this limitation we interviewed politicians from two very different parties, one being in power and the other in opposition. The opinions of these two politicians differ very much in some cases and in other cases they share similar views. Furthermore it is difficult to give a perfect solution to this issue since the politicians are important actors in the provision of bus services and there is no other more obvious way to capture their perceptions rather than simply interviewing them.

The choice of the RTAs in this study could also be criticized. To include one of the three biggest RTAs in Sweden might have resulted in yet another set of contrasting opinions as these RTAs are said to have better capabilities to handle procurements. Limitations in time and extent of our research have stopped us from capturing these opinions. This could be something for future research to address by also capturing the perceptions of these bigger RTAs. Furthermore the two RTAs in our study, as explained earlier, belong to the exceptions in Sweden as they have a large proportion of their bus services being delivered by public providers. Thus there is a risk that their perceptions do not represent the typical ones of RTAs in Sweden. However we also see it as a strength to have been able to cover the situations where public providers are present as this has given rise to the emergence of important discussion topics that enabled a platform for comparisons to the case with private providers. These comparisons play an important role in our analysis.
EMPIRICAL RESULTS

Currently in Sweden, it is the county councils together with the municipalities who have the responsibility to provide public transportation. This is organized by regional transportation authorities (RTAs). The RTAs are run by civil servants and governed by a political board. By law there has to be one RTA in all of the 21 counties in Sweden (Lagen 2010:1065 om kollektivtrafik). The county councils together with the municipalities decide how they want to organize their RTA. For example many RTAs are direct sub-departments of the county councils but receive financial support from the relevant local municipalities. Before 1 January 2012, when the new Swedish Public Transport Act was introduced, it was common to organize the public transportation in regional limited companies jointly owned by the county and the municipalities within that region (Alexandersson, et al., 1998). Now these limited companies assets and tasks have been transferred to the new kind of public authority.

The provision of public bus service in Sweden have, in the same fashion as other NPM reforms in several western countries gone through several deregulations the last decades. In the 1980’s the public bus services in Sweden was regulated and only operated by public organizations. Simply explained, in the end of the 80’s deregulations opened up for the possibility to choose between procuring these services or assign the task to an own in-house company. The results were that most of the RTAs in Sweden begun to procure bus services from private companies. Old public bus companies who lost in tenders was either put in bankruptcy or bought by private bus companies (Alexandersson, et al., 1998). The market has also consolidated from having quite a lot of different small bus companies to now practically being dominated by four big market leaders, referred to as “the four dragons” and some substantially smaller medium sized bus companies (Dagens Samhälle, 2013). The last deregulation in Sweden from 1 January 2012 has also enabled private bus companies to establish own commercial scheduled traffic not organized by the RTAs, which was not allowed previously.

In 2000, 95 % of the scheduled bus services in Sweden had been subject to competitive tendering at least once (Alexandersson & Pyddoke, 2003). When Swedish RTAs are procuring bus services through competitive tendering they have to follow extensive regulations and laws. The Swedish Procurement Act (Lagen 2007:1091 om offentlig upphandling) which is based on EU-directives is one of the most important of these.
FROM POLITICAL DECISION TO ESTABLISHMENT OF CONTRACT

The decisions such as where and how often public bus traffic shall be provided is basically initiated at the politicians tables. The director at RTA 1 describes that it is the politicians at the RTA’s board (kollektivtrafiknämnden) that meets and decide about the local traffic supply program (trafikförsörjningsprogrammet). The politicians note that there is for example no satisfactory traffic in a specific area which are supplied in commercial forms and based on that they decide about a public traffic obligation (trafikplikt). The RTA then procure this service or produce it in-house, according to the politicians instructions, as the director at RTA 1 describes it.

"The politicians say: We want traffic here. We see that there is no market who wants to deliver this traffic the way the politics want it to be delivered. And it may be that it should stop at a number of locations or that it should be a certain frequency or something else and then the politicians takes a decision about traffic obligation and that is a political decision. Then we [RTA 1] get the task to, with this decision as starting point, procure this traffic or conduct it in-house.” (RTA 1, 2014)

Politician 2 shares the same view and describes how they as politicians in the board are the ones who plan and map out what is needed. They also have the responsibility for setting the fares. Another important task they have, when they decide to put out the services on tender, is to construct the procurement specification (upphandlingsunderlaget). This is a document that in great detail specifies what services are to be included and details like timetables, driver behavior, customer treatment and even the vehicles looks or the drivers’ uniforms. The director at RTA 1 and Politician 2 describes that the politicians decide upon this, then the civil servants at the RTA together with legal experts and consultants get the task to conduct the procurement process and then the politicians take the formal contract award decision (tilldelningsbeslut).

"We have the order that the board [politicians] decides upon the procurement specification and then it is a task for the civil servants [at RTA 1] to procure this. Then it comes back [to the politicians] for contract award decision.” (Politician 2, 2014)

The other politician, Politician 1, had a different opinion on this process when talking about a specific recently conducted procurement by RTA 1. Politician 1 argued that the construction
of procurement specifications is a political task that shouldn’t be completely delegated to the civil servants, even though it was according to him.

"I was probably the one who was most uncomfortable with how it was made. I am of the opinion that what is politics in a procurement process are the requirements or procurement specifications. But it was basically just I who thought that we politicians should take a position on that document, so it was a pure civil servant product. What we politicians however was allowed to do in the end was to sign the contract award decision, and thus we became pure hostages.” (Politician 1, 2014)

Politician 1 acknowledges that since the civil servants possess the relevant competence they should absolutely be involved in the process of making the specifications. But there are also political implications in these matters and he wishes that the politicians had more to say about these before the process is done by the civil servants. For example he think that questions like transition of employees, that will say that the company that wins the contract should take over the employees from the previous company, is a political question that was not dealt with at the politicians table in the recent procurement. He believes that the civil servants does a good job but he is against the principle that basically all the details in the process is completely delegated to the civil servants and that some central political issues in the creation of the specifications are not dealt with at the political board. Both private providers also perceive that it is the civil servants who does the main job in the procurement process and that the politicians just set up the goals in general.

"My feeling is that the civil servants make a proposal that the board with the politicians look upon and before these procurement specifications are made public the politicians say: ‘Yes this is the way we want it to be made’. Then how well this is enshrined, I don’t know. We don’t sit on those meetings so to say. But of course I believe that the better this is enshrined, the better it [the procurement and the service] gets.” (Private Provider 1, 2014)

"After all it is the civil servants that, what do we say, does the job. It is the politicians’ task to point the direction of how it should look.” (Private Provider 2, 2014)

To enable a smooth procurement Private Provider 2 referred to standardized recommendations when developing procurement specifications and contracts. They highlighted that they thought it gives the best and most valuable procurement if the RTAs follows these standardized templates and recommendations that different industry
organizations such as The Swedish Bus and Coach Federation has developed. According to Private Provider 2 this becomes especially important at smaller RTAs where procurements are not made so often.

“We have a good example from X-county which is very clear that after all they do this so seldom so they have followed the industry recommendations to a very high extent both in the process and in the formulations. We are confident that by doing this you also get the best overall price.” (Private Provider 2, 2014)

**RTA SIZE AND PROCUREMENT COMPETENCE**

One factor that is of high importance when it comes to procurements of bus services is the size of both RTA and the procured service. Regulations and laws play a big role in procurements, the procuring RTA and the bidding provider has to follow several procedures in line with the law to enable a fair and transparent process. This is not a problem for Private Providers 1 and 2 since they basically only exist if they win tenders, and to do that they have tenderer departments who possess all the knowledge required. The three biggest counties in Sweden and their RTAs make several new procurements per year and thus they often have in-house employed lawyers to support with knowledge about the regulations as well. But also other kind of people involved in making the procurements have a good knowledge about procurements and the process since they do it so often. However this is not always the case with RTAs in smaller counties where procurements sometimes are made as rarely as every eight to tenth year as in the case of RTA 1. These RTAs do the procurements so seldom that it is difficult to maintain the knowledge about laws and processes up to date and they need to hire external help.

"A procurement of that importance requires quite a lot of work, right. I think personally that we [RTAs] that are smaller than the three biggest RTAs; we do these kinds of big procurements maybe every fourth to fifth year somewhere, some [RTAs] might do it every eight, tenth year and then it is not something you just say that ‘Kalle you can do this’, this is a huge project.” (RTA 1, 2014)

Both Private Provider 1 and 2 agrees that the three largest RTAs in Sweden possesses better capabilities to conduct proper procurements as they do it more often than the smaller RTAs.
"I don’t believe it is because they are less competent in the smaller RTAs but rather that they more seldom conduct procurements. You might not even have the same people working there next time if you procure as seldom as every sixth, seventh or eighth year. Meanwhile the bigger RTAs have one or two procurements per year, maybe three. Of course they have a different routine and process. I think the three biggest RTAs are very good at it.” (Private Provider 1, 2014)

Politician 2 doesn’t see any specific problems with the smaller size of RTA 1 but rather an advantage in that they don’t need to have the competence employed all the time.

"It is an advantage because we don’t need to have this competence employed like in the biggest county where they have their own procurement department. Here we hire consultants when we are about to make procurements. They handle these formal LOU [Swedish Procurement Act] parts, service construction, the legal matters and negotiations. Then we ourselves provide the competence involved with planning, route disposition, timetables and that sort of material in the procurement. And it has worked fine so far.” (Politician 2, 2014)

The director at RTA 1 describes that the situation has become better for them since they from 1 January 2012 are part of the county as a department and no longer a limited company. Thus, next time they are going to make a large procurement they will have access to the county’s procurement department with their lawyers and competence. However, the director of RTA 1 do point out that it is still a problem that since they do procurements so seldom they have limited knowledge about the regulations involved and this makes procurements feel a bit complicated.

"Since we do these procurements so seldom we have very limited knowledge about the subject. And it simply makes it feel cumbersome. And since it is connected to EU it gets even more intricate.” (RTA 1, 2014)

**VIEWS UPON THE REGULATIONS**

The procurement regulations set up rules for the procurement process and makes sure that the procurers act fair and transparent. This prevents procurers from treating tenderers differently. Practically all our actors agree and say that the regulations enable a fair and transparent procurement and they have no remarks on the regulations per se.
"The procurement regulations are there to make a fair, transparent and correct procurement so that we won’t disfavor anyone or favor any single part in any way. It should be a fair competition among our entrepreneurs which in turn will result in the best provider to the best price, right. It is important that these procurements are perceived as correct and fair.” (RTA 1, 2014)

In the previous section we mentioned that actors expressed an opinion that larger RTAs had better competence to deal with procurements and that they had support from their own lawyers. However the director at RTA 1 doesn’t believe that the regulations disfavor smaller RTAs. He simply stated that the same rules apply for everyone and have to be followed, no matter if you procure one bus or hundred buses. While the reflections upon the regulations have been quite neutral more emphasis in the discussions with the actors have been put on the competence and the content of the contracts and that this is more important for the quality of the procurements than the regulations. Private Provider 2 discussed the importance of the design of the contract and meant that these have higher implications for the provided services than the regulations. The CEO at Public Provider 2 in turn argue that competence plays a more central role than the regulations and that the procurers generally are poor in this sense.

"I don’t think we experience so much limitations with the regulations; it is more important how the contracts are designed. Most often it is not the regulations that are the limitation.” (Private Provider 2, 2014)

"I think that no matter what regulations there is, you must have a common sense and right competence on both sides on the negotiation table, and here I think there is a bias, I think that the procurer side generally are too poor when it comes to competence compared to the provider side, especially when it comes to bigger procurements.” (Public Provider 2, 2014)

**APPEALS OF PROCUREMENTS**

The regulations enable tenderers to appeal the contract award decision if they feel that they have been mistreated or think that the procurement process has been conducted inappropriately. This makes it very important for the RTAs to act professional and accordingly to the regulations during the whole procurement process. The pressures from these appeals seem to exhaust the RTAs and they feel that the tenderers on the losing side are always looking for errors in the procurement process. This could in the longer perspective threaten the whole system with procurements if they always are appealed. The director at
RTA 1 argues that one starts questioning the whole idea with procurements when it becomes such a hassle and that the alternative of in-house production gains in attractiveness.

"Then after the procurement the losing tenderers summon their lawyers and then they read and then they find something. 'You did wrong there, appeal!' [...] I believe that this that happens afterwards is a threat against the procurements. [...] There is a risk or possibility, depending on how you see it, that this hassle experienced with procurements, maybe some have started to question the value of procurements. Why not conduct it in-house instead?" (RTA 1, 2014)

"This industry has generally had huge problems with the procurements from the perspective that they are appealed constantly. I don’t think I have heard of any procurement of traffic which has gone well. But of course if we who are procuring have made anything wrong they should have the right to appeal, but it has somehow been systematized.” (RTA 2, 2014)

If the RTA would lose an appeal in court it could be very expensive according to the director of RTA 1 as they would have to pay for both the provider that produces the service and the provider that has won an appeal. Even if the RTAs wins the appeals, during the court process, RTAs often have to make temporary direct awards on one or two years. This is something that costs unnecessary money for the tax payers according to both RTA 1 and 2.

"If it is something the entrepreneurs think is very pleasant then it is when they get to give a price on a direct award from the procurer, then there’s no competition and then you [the entrepreneur] can take your cost and add some convenient profit, so it gets expensive for the procurer, right.” (RTA 1, 2014)

Politician 2 was of another opinion, at least when the direct award goes to the previous service provider who are given the opportunity to deliver the service for another prolonged year. About one such specific case he claimed that it was actually cheaper for the tax payers, however the passengers suffered when it came to quality.

"We were driving one more year with old buses so for the taxpayers it became cheaper but for the passengers it got worse. It did not get more expensive but instead cheaper.” (Politician 2, 2014)

TO PROCURE OR PRODUCE IN-HOUSE
RTA 1 has two big service packages, one that is procured from Private Provider 2 and one that is bought in-house from Public Provider 1 that is owned by the same county as RTA 1.
The last relationship is something that according to our respondents just has remained without any bigger political disputes. Public Provider 1 was, like many other public companies during the deregulation period, tried to be sold but without success. Instead they have basically just continued to deliver their services to RTA 1 under a direct contract that has continually been prolonged. The director at RTA 1 confesses that it is a little bit of a relief to know that they don’t need to procure these services with all the extensive work involved in procurements.

RTA 2 does also get bus services provided in-house. But RTA 2 is different to RTA 1 since they buy almost all of their services from their in-house company Public Provider 2. The relations are tighter and the two organizations’ directors even sit on the same floor in the same building. When the director at RTA 2 was new at this job she thought it was a very odd situation that the RTA didn’t procure their bus services like other RTAs in Sweden. She was of the opinion that it should get better and cheaper if they put it out on tendering, but with time she has changed her opinion. It is not as simple that procurements lead to better and cheaper services. It is more complicated than that, she argues.

”When I started working here I was thinking like ‘what kind of county is this? What reason could there be to not put out on tender? Of course it has to be better and cheaper. If they [Public Provider 2] are good enough they will win anyway.’ My attitude was a bit like that when I started to work here. […] But I have revised that and I no longer believe it is as simple as to just put out on tender and we will get a better and cheaper product, it’s not as simple as that.” (RTA 2, 2014)

According to the director of RTA 2 it is more of a coincidence rather than an active decision that Public Provider 2 still exists. The county actually tried to sell the company but didn’t get the expected price. Otherwise they would have been like all the other counties who procure traffic. But for the moment there is a high political consensus between the different party blocks in the county to keep the company as it is. The director expresses a relief over the fact that they don’t need to procure with all the processes involved but also adds that the situation would look different if Public Provider 2 did not show that they are competitive enough.

”If our bus company did not have the capability to show that they are economically competitive, then they wouldn’t exist today, I am fully convinced of that.” (RTA 2, 2014)
It is important to note that the case with both Public Provider 1 and 2’s existence take the form of a coincidence and something that just have remained rather than an active decision from the politicians to keep these companies. Most of the RTAs in Sweden are nowadays procuring their bus traffic and even if the possibility to conduct in-house traffic is theoretically possible and some RTA would like to do it, it is more complicated in practice to turn around from procured services and going back to in-house conducted services since it would be a large commitment with a lot of money involved.

"Of course, when everything is sold, the costs would be enormous to buy a company, new vehicles and so on. So it is a huge investment you would make and a commitment for many years in that case. So that is one obstacle which has stopped some [from going back to in-house services], I can imagine." (RTA 2, 2014)

At the end of the day it is a political decision to decide if the RTAs should buy in-house produced bus services or procure them from private actors. Politician 1 doesn’t really mind if the services are provided by a private or public actor as long as the outcomes are good. He sees both forms just as equal tools to provide public services. However he states that it should never be a goal in itself that it is the procurement from private companies that is the only interesting thing. He mentions that he sometimes has experienced this in the case of health centers but not specifically in public transportation.

"I am not fixed at this in any sense. [...] It is about getting so much public serve as possible. And if the provider is private or public doesn’t matter. For me it is just a means to achieve a good result." (Politician 1, 2014)

Politician 2 on the contrary indicated a strong favor for the procurement as a tool of public bus service provision. He also expressed a will to sell Public Provider 1. At the same time as the contract between RTA 1 and Public Provider 1 have been extended it has occurred discussions about whether they should start procuring these services instead. The main obstacles for making this happen as Politician 2 sees it is that it has been hard to sell the company due to the form of the contract which involves too few years now and low competitiveness that has given the company too low value. The CEO at Public Provider 1 disagrees that they lack in competitiveness but agrees on the contract matter and further explains that he don’t understand why they always only get their contract prolonged at around five year each time while the procured services of RTA 1 gets contracts at around ten years.
They are themselves making other procurements on things such as tires and it would be beneficial to have a longer contract and be able to lower their costs in turn.

"Since we are owned by the county they can cancel the contract if they want to. But it would gain us to have a longer contract and it would put another value on the company if they wanted to sell the company. There is a value in the number of years here." (Public Provider 1, 2014)

To be exposed to competition and take part in a competitive tendering to be able to continue the operations is something the CEO at Public Provider 1 is not afraid of but rather would welcome and think they would have good chances to win. The CEO is very proud of the social benefits that the company provides and thinks they are both competitive and give a lot back to the society. At the same time the CEO is bothered over a feeling that there is some sort of opinion and negative thoughts about public providers as if they would automatically be less efficient just because they are publically owned.

"We are today seven publically owned bus companies left and they look down on us a little bit since we are publically owned." (Public Provider 1, 2014)

This skepticism against the publically owned providers and favoring of procurements of private providers was as earlier mentioned something that characterized the director at RTA 2. But also the CEO at Public Provider 2, who has a background in the private sector, shared this skepticism before he started to work for a publically owned provider. He has also changed opinion and now emphasizes the importance of proper management and leadership for being competitive rather than which form the ownership takes.

"I think it is more a question about proper management and proper leadership that is more important than who owns [private or public]. [...] Both has its pros and cons of course so to say. But I think one should consider carefully whenever there is tax money involved in the financing. Then you should take a close look on the alternatives before you go for one thing or the other." (Public Provider 2, 2014)

The CEO of Public Provider 2 also put much emphasis on that they have themselves started doing plenty of performance measurements and comparisons with private providers in order to ensure and prove competitiveness. This initiative has to a large extent come from Public Provider 2 themselves. There has not been any demand for it by either RTA 2 or the politicians in the county. Just as the director of RTA 2 said, the CEO of Public Provider 2
thinks that if they couldn’t show competitiveness he is sure that they wouldn’t exist. He believes that this is the problem with many other publically owned providers that conduct in-house services. They don’t have the right people with a background in private sector who knows how to ensure competitiveness and thus they become lazy and eventually the politicians find better alternatives.

THE RELATIONSHIPS BETWEEN RTAS AND PROVIDERS

The relationship between RTA 2 and Public Provider 2 seem to be very flexible with a two-year contract that is continually prolonged. The contract don’t have as many details and terms as procured contracts normally have, and according to the director of RTA 2 they even intend to decrease the extent of the terms in the contract in the future since it is too extensive now. The contract is there because of legal reasons but it is not the main instrument of governance in this relationship. Both actors are owned publically and strive for the same goals. The flexibility shines through down to detail level. The director of RTA 2 describes their relationship with an example where extra resources are needed on one bus route. In this case she just have to go to the CEO of Public Provider 2 in the room next to hers or in the coffee room and ask how much it costs and then decide the action quickly while RTAs that have procured services need to sit down at the negotiation table and come to an agreement of extra resources.

“'Now we need additionally two buses on line 559.' Then you [other procuring RTAs] need to sit at the negotiation table. Here we just go and say: 'what will it cost then?' 'Around this and that.' ‘Okay, are you sure?’ 'Yes', you say and then you say: 'ok, go for it!’” (RTA 2, 2014)

Both RTA 2 and Public Provider 2 describes that they have a very extensive collaboration and they plan the routes and other details together. There is a consciousness that the practical knowledge about traffic and buses is possessed by Public Provider 2 and the small amount of bus services that are procured in this county are in fact procured by Public Provider 2 since they have the competence on buses and costs involved with that.

The relationship between RTA 1 and Public Provider 1 seems to take a slightly different approach. The CEO at Public Provider 1 says that they possess a lot of knowledge for example about bus traffic and that RTA 1 could take more advantage of this knowledge in their planning and when doing procurements. However the CEO at Public Provider 1 as well
as the County Auditor expressed a perception of reluctance to use the competence of Public Provider 1, especially with the example of one case where RTA 1 are planning a new facility that will be used by Public Provider 1. When asked if Public Provider 1 knowledge was used when RTA 1 procures bus traffic, Politician 2 answered no since they want to treat them equally as other service providers. But he also agrees that they could perhaps utilize their knowledge in a higher extension in some field as for example when it comes to discussions about alternative fuel.

"It is because we have decided to keep an arm’s length distance in this situation. We shall treat them [Public Provider 1] as any other service provider. Since we have a contract with them we do follow-ups with them and they report like everyone else.” (Politician 2, 2014)

The director at RTA 1 agrees to this way of treating all their service providers as equals. He also argues that it is a question about power and roles. Public Provider 1’s only task is to provide bus services for RTA 1 in a certain area. Sometimes, the director at RTA 1 argues, they might therefore think they know better than them how the traffic should be planned in that area. But this is the role of RTA 1 and therefore Public Provider 1 shouldn’t get involved too much with it as their role is simply to provide the bus service according to RTA 1’s instructions.

When it comes to the relation between RTA 1 and Private Provider 2, as well as other RTA to private provider relationships in general, the contract gets much more attention as a governing tool that sets the boundaries and roles. There seem to be less flexibility in the relationship when the RTA has procured services from a private provider. While the RTAs and public providers goal are simply to provide the best possible bus service per money to the customers private providers have an additional goal in being profitable and pay dividends to their owners. Even if a private company provides services to RTA 1 under a long contract period RTA 1 is very careful to not develop a too close relationship with their procured provider as it then would be easy to fall into the trap and become too easy with them for example when contractual obligations haven’t been met. This is indeed sometimes a bit tricky, the director of RTA 1 acknowledges, since they do work with each other for quite a long time. He says that they need to be hard and precise, not accepting simple excuses, to make sure that the provider follows what has been said in the contract.
CONTRACT AND DEVELOPMENT OF SERVICES

One common goal for all the actors involved in the provision of public transportation in Sweden is to double the volumes of passengers from year 2006 until year 2020 in a national project named “The Swedish Doubling Project” (Svensk kollektivtrafik, 2014). To make the private providers keener to strive for the same goal the contracts in the industry has changed shape. Earlier the standard has been a so called gross contract where the provider got paid per delivered traffic minus deductions from things such as delays. Theoretically the bus provider would earn more money by driving empty buses as that would decrease costs of delays and cleaning of the buses. Now the new standard is to have an incentive part of the contract where the provider gets paid per passengers and ultimately this makes the provider more aligned with the goals of RTAs and politics. This is a development that is perceived as positive by both Private Provider 1 and 2 as the focus on customer is increased and they gain more freedom to develop their services.

“Now the whole market shifts, which is very good, to focus more on the customers instead and more incentive driven compensation. [...] This makes us having another type of focus and we have also more grades of freedom and I think that is very good.” (Private Provider 1, 2014)

This type of contract is not at all used with either Public Provider 1 or 2. Their contracts have much less details than the contracts with private providers. None of the actors interviewed have expressed a need to manage details in these contracts in the way contracts with private providers are designed. The reason is that the public providers are already aligned to the same goals as the politicians and RTAs anyway. Furthermore, the ownership structure gives the RTAs the ability to control the public providers by other means than the contract. When it comes to development of the services, the director of RTA 1 think that the private providers sometimes have been a bit lazy because of the long contracts where the winner have a stable income that he discussed in similarities to having money on a bank. He explained that previously when the tender had been calculated and won, there was not really any incentive for the provider to develop more than what was agreed in the contract. They have always had the possibilities to lower their costs and earn more money by finding cheaper fuel, cheaper buses and so on but he thinks the incentives might make the providers more creative with developments of their services than before.
"If you have calculated correct in your tender and you have won it, then it is like having the money on the bank. It is only to deliver the bus traffic and then you get paid. […] Then it is comfortable. I think there is simply a bit of laziness." (RTA 1, 2014)

But according to both private providers it is not so simple to develop the operations as they are much locked to what is written in the contract, the grades of freedom written there and that they don’t have all the necessary tools like the ability to set prices. The prices, or fares, are a highly political thing that the politicians have the power to decide upon. In other industries the producer can always use the price tool in their business to adjust for changes in demand. But this is not the case in the provision of bus services as the politicians have the price tool while the provider is locked to what the contract says. Private Provider 2 says that they believe that the contracts have to be developed more in order to enable more development of the services and driving the benefits to society forward. The conditions have to be healthy with enough freedom and abilities to earn reasonable money.

"We believe that if you want to take the industry forward, then you must provide a totally different room for development in the contracts." (Private Provider 2, 2014)

The director at RTA 1 also agrees that the private providers need more tools to be able to develop their services. If the incentives are going to be really efficient, he argues that it needs to involve a bigger carrot for the providers. But at the same time he discusses the problem of balance here. On one hand the providers need more freedom and abilities to decide upon different things in order to develop their services. But on the other hand they can’t give them too much power to decide upon things since their job is to provide a public service which isn’t always profitable. He mentions for example that if the private provider could decide everything they would of course not, in order to maximize their profitability, drive on some routes on the countryside with very low utilization. This is more of a social or political thing, politicians have decided that it should be possible for people to also live on the countryside and be able to travel to the jobs in the cities.

"Because it is some kind of social [thing] that we drive there on the countryside. Because we need to provide a certain amount of traffic. Would Private Provider 2 themselves decide this and maximize their bus fleet in the best way then they wouldn’t be driving there in that case. And that is a balance for us and our politicians." (RTA 1, 2014)
According to County Auditor 1 it is indeed a challenge to develop and design the best kind of contract which both are clear with the terms of the contract; what the provider shall provide and how and at the same time leave room, freedom and tools for the private provider to develop their services in the way they want. For example many RTAs want their providers to use environmental friendly vehicles. This requirement is hard to put on the contract due to several reasons. The contract isn’t allowed to be too specific, the RTA can’t know exactly what kind of vehicle that is most environmental friendly in five years and if the provision of fuel will be secured. At the same time it must be written somehow in the contract as the provider otherwise will use the cheapest type of fuel and perhaps not the most environmental friendly.

"It is tricky and at the same time it is very important [...] I don't have the knowledge to really see how they should state these requirements but I can see that they need to state these requirements and that it is a challenge to write it on paper in a good way.” (County Auditor, 2014)

**CONTRACT LENGTH**

One solution discussed with the director at RTA 1 to make the development of public bus services more innovative could be to shorten the procured contract from around ten year to five year for example. He mean that by having shorter contracts the service providers would be exposed to competition more often and therefore be more active and at the forefront of innovation in order to win tenders. It would also, as the director at RTA 1 discussed it, require them to be more active themselves if they had to do procurements more often. Now he mean that they also become a bit lazy themselves when all procurements are done and they have to wait for some years until it’s time again for a new procurement. A shorter contract would require them to revise their requirements on providers more often. At the same time this would be a benefit for them in case they are stuck with a contract they aren’t satisfied with as it will run out sooner than today’s long contract and sooner give opportunity for a new and better procurement. But shorter contracts would have its price too. County Auditor 1, both politicians and both private providers all think that shorter contracts would mainly have the effect that the bus services would become more expensive as the providers would need to calculate with a higher risk and write off buses in a shorter time period. Private Provider 1 doesn’t think that shorter contracts would increase the competition either.
”The shorter contracts, the more flexibility, at the same time one can imagine that it drives the prices up as well and you might not get the same advantageous [contracts].” (County Auditor, 2014)

“One might think that ten years are a bit too long and that you lock the market by not having possibilities. At the same time if you had shorter time then you have to write off the buses on five years if you have a contract on five years and then it becomes significantly more expensive.” (Politician 1, 2014)

“No I just think it would be more expensive because it is always the same prerequisites and we [different private providers] have quite the same organizations and we are not so different so to say, in how we work. So I just think it would be more expensive.” (Private Provider 1, 2014)

MARKET AND COMPETITION
When the bus market in Sweden was deregulated and exposed to competition it was expected to lower the prices and give the tax payers more services for the money. This was achieved at the beginning but later on the prices have increased again. Some of the actors in this study, especially the directors at RTA 1 and 2, also questioned how good the competition really is in the market. Many of the smaller bus companies on the market have disappeared and today the market is mainly dominated by “the four dragons” as the director at RTA 1 call the four biggest market leaders and thus it has become a bit oligopolistic. At the same time both the directors at RTA 1 and 2 argue that these market leaders have been very aggressive in tenders in order to win and secure market shares. This, they mean, have resulted in a very unhealthy market where the providers doesn’t earn any money and if they weren’t backed up by international owners with big financial muscles they don’t think these providers would survive. The director at RTA 2 also think that these low prices have resulted in poorer quality of services and points out the importance of the contract design to make sure that the quality doesn’t suffer.

”The [competition] is not so big really. We have four, what we call ‘the dragons’: Private Provider 1, Private Provider 2, Dragon X and Dragon Y. Then we have some middle range Swedish companies such as Z and some of these and then we have all these really small [companies]. So it is almost an oligopolistic market really.” (RTA 1, 2014)
“They have pushed this so hard and put themselves on such a level so it hasn’t, I think, given enough quality in the end. And it is not sustainable for these companies either. They have kind of dumped the prices to be able to enter certain markets.” (RTA 2, 2014)

Politician 2 on the contrary did not perceive the situation of competition as unhealthy. He said that they never had the problems of having too few tenderers when RTA 1 has procured bus services. He also said that the size of the packages matters and that they have more tenders on the small packages as the smaller companies are able to give tender on these.

"I would say that the competition is very good actually. We have never had any problems with getting to few tenders. It can be somewhere around three to five tenders. A little bit depending on how big the packages are, on the small packages it can be even more tenders. Because then there’s smaller actors that also are interested.” (Politician 2, 2014)

Some of the critique against the few numbers of competitors on the market have indeed been put on the fact that the packages the RTAs put out on tender are too large and that only the big dragons have the financial muscles to really take part in these tendering processes. Private Provider 1 agrees to this and further argues that it is actually the design of the contracts that affects the healthiness of the market more than poor competition. He mentions one example of the three biggest counties where they now have a large procurement that they have divided into two smaller packages in order to get as many tenderers as possible in the procurement. Thus it is also a responsibility for the RTAs to make sure that the competition is good, by not having too big packages. However, as County Auditor 1 points out, while smaller packages have its benefit for the competition it also has its downsides as large synergy effects could be lost and thus make the services more expensive for the RTA.

"If you divide it into too small pieces of course it might be hard to get these synergy effects and the possibility to push down prices. So it is a bit of a balance how to set it up.” (County Auditor, 2014)

EVALUATIONS OF DELIVERED SERVICES

Discussions about evaluations of performed services have taken place with all the interviewed actors, but they all seem to regard this topic as quite low in importance and the existence of extensive formal evaluations of bus services seem to be absent. The director of RTA 1 thinks it sounds reasonable to do some kind of evaluation of their procured services but he is not
aware of the existence of any formal evaluations in their case. If any evaluations were made he thinks they should be made before the contract have run out, for example when there is still one third of the contracted time period left. The reason for this he mean is that the procurement process is a complex process that starts already two or three years before the actual contract is going to start. Then it would be beneficial to have an evaluation before this whole process starts. This he argues could result in a better procurement next time as important conclusions and lessons could be drawn from an evaluation of services received under a previously procured contract.

Even if there is no formal external evaluation of the procured services in place, regular follow-ups of contracts are made to make sure that the service provider delivers what is promised and agreed. The contract plays an important role in this work as it is the contract which governs for example how much delay that are allowed and what it will cost if this is exceeded etc. Politician 2 describe that they work with contract management and follow up data such as vehicle inspections, delays, number of passengers etcetera. They compare this data to what is written in the contract and make sure that all things that were agreed upon in the contract is fulfilled and that deductions from payments are properly done accordingly to the number of delays etcetera.

"We work with a contract management system where we follow up all hard data; everything from vehicle inspections to follow up all these things such as economy, incentives, the numbers of passengers, and that whole part." (Politician 2, 2014)

The data that Politician 2 talks about are provided by the service provider themselves who reports to the RTA. Private Provider 2 agrees that it is to a large extent the contract that governs what will be followed up. It is often described in high detail what kind of data that shall be provided and how it shall be provided. The RTAs also have tools to verify that the delivered data is correct, Private Provider 2 claims. Furthermore Private Provider 2 also said that some few RTAs have started to conduct external audits as one kind of evaluation, but this seemed to be very rare in a national perspective.

"There are also systems that the RTAs have access to and can verify that reports about punctuality, cancellations and failed tours are correct. [...] Also how many tickets that are registered, often the RTA owns that machine." (Private Provider 2, 2014)
When County Auditor 1 discussed evaluations he compared bus traffic with healthcare. According to County Auditor 1 there might be deficiencies in how healthcare is followed up, but he didn’t see any direct need for improvements when it came to the evaluation of bus procurements specifically. This was, according to the county auditor, due to the nature of the different services: while bus services are quite easy to see being conducted it is harder to see the healthcare services being conducted with all the confidentiality involved.

“The traffic... [...] I believe they have pretty good track over how it works during the contract period. [...] You can see if a bus is run on the roads so to say, right. But what happens in a reception room is not as easy to say.” (County Auditor, 2014)

No external evaluations are made at either RTA 1 or 2. But at RTA 1 a big focus, as discussed earlier, is put on regular follow-ups of contracts of procured services where various data are reported. This stands in contrast to the situation with the public providers where the demand for reported data has been lower. For example as earlier described, Public Provider 2, who had no demand to deliver measurements, took an own initiative to provide it. The director at RTA 1 also says that they don’t have the same need to do follow-ups on Public Provider 1 as they have with Private Provider 2. This is, according to the director at RTA 1, because they are both owned and controlled by the same owner.

”Nah it is not an issue in the same way here because in this case you might say it is almost an continuous evaluation that we measure us against their or whatever we feel they perform and then the county owns that company so then the county can all the time have a control over the economy in that part as well.” (RTA 1, 2014)

Finally all over Sweden monthly customer surveys are conducted and gathered for The Swedish Public Transport Association. The organization have contract with a survey agency that make phone calls to residents in different counties. They ask and measures how satisfied the residents are with their RTAs and various aspects of their services. This data are then summarized into reports which are available for everyone. The RTAs and politicians follow these reports in their work.
ANALYSIS
In this section we present our analysis of the empirical findings. The analysis has been based on our literature review which we also summarized at the end of the literature review section. We present our analysis in the same order as the components of our research question, where in the first section we analyze how actors perceive their roles, secondly we analyze how actors perceive the role of procurement regulation and in the final section we analyze how actors perceive the role of the contract with regards to the provision of public service.

TOWARDS A PUBLIC SERVICE CONTRACT
Our empirical findings initially indicate that actors perceive their roles in the provision of public bus service in accordance with the purchaser-provider form of providing public bus service. In other words, that the politicians’ roles are to identify the need amongst the public for the public bus service, the civil servants’ roles are to consider alternatives that can supply this need and lastly the providers’ roles are to provide the service. However considering Politician 1’s own recollection of the most recent procurement process he partook in there was a discrepancy with regards to the role of politicians in that process. Politician 1 explained that politicians only became involved at the end of the process when it was time for final awarding, effectively holding the politicians hostage as he called it. In turn this resulted in civil servants role becoming the driving actor in the process of public bus service provision. Considering the developments of NPM reforms it is not surprising since civil servants enjoyed increased autonomy following the decentralizations and opening up of public organizational boundaries (Hood, 1995; Jones, 1999).

We argue that the role of the civil servant becomes heightened because the empirical findings indicate that they are perceived as the ones that possess key technical knowledge about law and other necessary processes involved in order to contract out public bus service in a good way. Yet there are important democratic considerations that can potentially be undermined in such cases. In order to solve political issues regarding public service provision the importance of having very technical knowledge about law and financial measures for instance was perceptible in light of NPM reforms (Rose, 1991; Hood, 1995). In the research literature it was argued that law could facilitate in minimizing unwarranted use of power. Therefore governance became characterized by legal formulations stating explicitly what actors should be considered responsible for (Rose, 1991; Scott, 2000; Glynn & Murphy, 1996). Our empirical findings further highlight that private providers mainly meet with civil servants
during a particular contract engagement. The private providers could not say how well politicians and RTAs uphold their roles in the purchaser-provider relationship. Consequently private providers’ roles were perceived mainly as fulfilling contractual agreements. We argue that this also reflects the importance of making explicit and transparent the responsibilities of actors brought about by NPM reforms. The outset of making explicit and transparent the responsibilities of actors was that public bureaucracies might be able to easier hold actors legally accountable for the performance and provision of public service (Scott, 2000; Sinclair, 1995; Kurunmäki & Miller, 2006; Hood, 1995). However, as evident in the most recent procurement process discussed by our politicians, the role of the civil servant was perceived as heightened. We argue that in that particular situation, the role of the politicians was less clear and therefore an indication of fragmented accountability mechanisms as discussed by Scott (2000).

A comparison can be made here with the public providers who perceive their role in the provision of public service differently. From the empirical material we consider that the public providers have a less literal perception of their role as fulfilling contractual agreements, particularly in the case of RTA 2 and Public Provider 2. Instead they consider that their role is to provide the best possible public bus service for the people regardless of making an explicit contract. As previously argued NPM reforms entailed an emphasis on legal accountability, and making explicit responsibilities for the different actors (Scott, 2000; Sinclair, 1995). However our empirical material indicates that this was not evident for public providers. They do not consider themselves as a separate part of the county government and rather perceive that they have the same goals as the politicians in the provision of public bus service. Fragmentation of accountability mechanisms has been argued to occur when private actors are considered accountable only to the contract and when political issues are increasingly dependent on very technical knowledge about law for instance. Further this is exacerbated when civil servants alone have this knowledge and have increased managerial autonomy (Hood, 1995; Jones, 1999). In turn this makes the chain of responsibility from public to representatives in government unclear (Scott, 2000; Rose, 1991; Magnussen & Nilssen, 2013). In the case of Public Provider 2 and RTA 2 we do not find the occurrence of such circumstances evident, considering that RTA 2 does not procure their public bus service. In other words the need to increasingly focus on legal accountability and the need to make explicit the responsibilities was not evident. RTAs in these circumstances perceive their role as developing the public bus service continuously with the public providers, without the main
emphasis on the legal accountability and making explicit responsibilities for each actor (Camén, et al., 2011; Lian & Laing, 2004).

The inclusion of audit practices has been argued to be an important aspect in order to hold actors accountable to the provision of public service. These audits involve both the legal compliance issues as well as performance issues (Power, 1997; Morin, 2001). Although our findings support the increased emphasis on legal accountability, our informants perceptions of their roles did not indicate that audit practices was considered to be significant in demanding accountability. Interestingly, both our interviewed private providers indicate that there are very few RTA:s that include in their tender specifications that private providers will be subject to some form of audit as means to evaluate performance, whereof none of the RTA:s in our study did so. Furthermore, Public Provider 2 mentioned that politicians in his county did not take the initiative to ensure that appropriate performance measures are implemented in his organization. Public Provider 2 did this on his own accord in order to ensure that the organization was performing well. Since audit practices and performance measures were considered important measures in demanding accountability, institutions such as higher education and health care implemented these as part of NPM reforms (Adcroft & Willis, 2005; Power, 1996; Power, 1997; Scott, 2000). Considering that Public Provider 2 implemented performance measures on his own accord, we argue that public provider’s perception of their role is further strengthened. They continuously seek ways to improve the provision of public bus service, like including performance measures for the sake of ensuring accountability (Adcroft & Willis, 2005).

INSTITUTIONALIZATION OF LAW
From the previous findings regarding the most recent procurement the politicians were involved in, we argue that there are indications that the conflict between law and politics is evident even here at these lower political levels. Reviewing the empirical material, it was clear that all actors perceived the role of procurement regulations as a means to facilitate a transparent and fair procurement process. But with regards to accountability for the provision of public service, our informants noted that the public providers exist today out of coincidence rather than political decision. Following the deregulations in the Swedish public bus service industry, there was a will to procure the services in RTA 2 as well as RTA 1. There was a bias towards private providers, where it was implied that publically owned providers by default are less efficient than private providers. We have in previous sections
discussed that procurement processes are characterized by very detailed regulations (Gelderman, et al., 2006). In the juridification literature authors argue that law can have a stabilizing effect on matters which are inherently political and therefore restrict the possibilities for individual and collective action (Laughlin & Broadbent, 1993; Blichner & Molander, 2008). We argue that this is most evident in recent procurement experienced by the politicians. Because of the increased reliance on technical knowledge of law required in order to complete a procurement process, civil servants role was heightened and politicians role less clear (Rose, 1991; Scott, 2000). In such cases the procurement regulation has a restrictive effect on accountability for public service provision. When politicians become more involved with maintaining the already established practices for public bus service provision, this weakens their responsibility for service provision (Magnussen & Nilssen, 2013).

Although our informants did not perceive the role of the procurement regulations per se to be restrictive, we did find indications that RTAs perceive that procurements are almost always appealed, causing unnecessary delays and spending of public resources. Noteworthy here is that in these cases it is the competing private providers that initiate the appeals. In effect, the award decision becomes settled in court, rather than on the politicians table. We argue that this is an example of when decisions and oversight functions of the provision of public service becomes shifted from political institutions to the legal institutions. The empirical findings indicate that procurement processes involve an increased importance of legal competence, which on the part of the private providers is not an issue. Focusing on legal formulations and holding actors legally accountable, raises the importance of the court system as an oversight and decision making institution (Blichner & Molander, 2008; Magnussen & Nilssen, 2013; Magnussen & Banasiak, 2013). In turn actors increasingly perceive themselves as legal subjects, and replace other forms of justifications with duties and obligations stated in legal formulations. Evidently RTAs considered the appeals of procurements exhausting. Regarding the politicians and private providers it was not evident that the appeals were exhausting. Ultimately the appeals were accepted as part of the legal environment. We argue that these reflections exemplify how the role of the procurement regulations can contribute to actors increasingly perceiving themselves as subject to law and the legal system, replacing other forms of justifications (Blichner & Molander, 2008). In such cases politicians then become less involved with the top down political steering and more involved with legal procedures and established regimes (Magnussen & Nilssen, 2013; Masterman, 2009).
In the literature it is claimed that law was relied upon for its apparent neutrality and capability of avoiding unwarranted use of power (Rose, 1991). It was thought that law would make transparent the respective responsibilities of different actors. However some authors argue that the provision of public service is a highly political matter, thus not something neutral that can be stabilized by shifting authority over decision-making and oversight to the legal institutions (Rose, 1991; Magnussen & Nilssen, 2013). Further our data from Politician 2 in particular reflects the importance of legal competence in order to successfully partake in procurement procedures. Politician 2 mentioned that in his county they always hire external personnel with the legal knowledge necessary to make a successful procurement process, which he considered an advantage because that competence does not need to be employed full time. Since RTA 2 does not procure their major traffic routes, they argue that they do not face the systematized appeals which are characteristic of other RTAs. Since the provision of public service in this case is not characterized by actors increasingly perceiving themselves as subject to procurement regulations, the decision making and oversight functions remains with the political institutions (Blichner & Molander, 2008). These contrasting perspectives we argue provide insights in to how the legal institutions decide the outcomes of contracting out of public service provision. When the political institutions are pushed back in cases of contracting out for public service, the local contractual considerations become an important part in order to provide for public service through private actors (Rose, 1991; Magnussen & Nilssen, 2013; Hensher & Wallis, 2005).

**CONTRACTUAL CONSIDERATIONS**

Our informants provided insights that support some common outcomes that can be associated with the different types of contracts discussed in the literature. Complete contracts, were used when procuring public bus services, which means that parties attempt to contract for as many future contingencies as possible. Public Provider 1 and 2 were engaged in contracts where the respective responsibilities are less explicit as in the case for the private providers. In the case of the private providers, the complete contract was perceived to have a central role in determining the responsibilities of each party, whilst the less explicit contract was perceived to have a secondary role (Brown & Potoski, 2005; Lian & Laing, 2004). We argue that these contrasting views have implications on the accountability for public bus service provision. Most negative aspects brought up by our informants were attributed to ex ante contracting considerations (Hensher & Wallis, 2005). We found that when facing long term and large contracts, procurers at smaller RTAs have difficulties adapting to the process, due to the fact
that the process occurs so seldom. For the individual private providers in our study this is not a problem, because their main business is to deal with tenders and do multiple procurements per year.

Considering that procurers face an increased focus on holding actors legally accountable for the provision of public service it is not surprising that the contract becomes central when procuring public bus service. That is where the responsibilities of the different parties are made explicit (Brown & Potoski, 2005; Camén, 2011). Public bus services are characterized by high entry barriers and economics of scale. In addition, the process of public procurement is highly regulated, which means that procurers need to actively reflect on what they buy and how in order to have a competitive market to choose service providers from (Leland & Smirnova, 2009; Brown & Potoski, 2005). Like our informants mention, private providers are clearly more accustomed to the contracting process than procurers who procure maybe as seldom as every eighth to tenth year. When procuring long contracts which span over large regional areas like our informants indicated mostly occurs, efficiency gains on subsequent re-
tenders are minimal. Instead the risk of consolidating the market heightens since the providers that lose contracts might become obsolete (Hensher & Wallis, 2005). With fewer actors on the market an additional rise in risks of developing information asymmetries can occur, where the providers have more knowledge about processes than the procurers have, as well as an increase in prices (Brown & Potoski, 2005; Leland & Smirnova, 2009).

Seeing as procured contracts are stipulated in order to hold parties legally accountable, it is not unreasonable for the role of the contract to be perceived as central. However we argue that this in turn means that the contract itself largely determines accountability for the provision of public service. RTA 1 mentioned that there is not much innovation from the private providers. In explicit contracts parties have their responsibilities stated from the beginning, meaning that additional terms beyond that are limited (Brown & Potoski, 2005; Camén, et al., 2011). As we argued in previous sections, the private providers do not meet on regular basis with politicians on a specific contract engagement. Therefore the contract and the contracting process becomes the tool to ensure that private and public goals are aligned (Brown & Potoski, 2005; Hensher & Wallis, 2005). Further, County Auditor 1 expressed that often procurers might think they know what they are asking for until they get it and realize that it is not what they expected. This means that the outcome of the contract is determined ex ante awarding a provider. The problem we argue here is that contract management theory
maintains that it is impossible to contract for exactly all future contingencies, ultimately leading to limited negotiation once the contract has been awarded (Camén, et al., 2011). As a contrast the public providers and their RTAs enjoy many of the advantages of more relational contracts. Examples include a more long term focus on developing processes rather than on the basis of the particular contract engagement and having closer relationships with both RTAs and politicians throughout the engagement. When facing an operational issue which needs to be dealt with, Public Provider 2 and RTA 2 does not need to sit at the negotiation table and review the contract agreements (Lian & Laing, 2004; Hensher & Wallis, 2005). Because the public providers do not see themselves as separate from the principals in government they do not perceive any conflicts of interests, which are an important aspect in order for a relational contract to fulfill its function (Lian & Laing, 2004). Hence the perception of the role of the contract is secondary in the case of public providers and RTAs which means that accountability for public service is not solely determined by the contract itself.

Although the relational contracts have many benefits there are various risks involved with having fewer explicit agreements as well (Camén, et al., 2011). Considering that private providers may have some goals which not always coincide with public goals, the actors would have to take this in to account when formulating contract terms (Camén, 2011). The RTAs in our study were also rather small compared with the three largest RTAs in Sweden, which might explain some of the adverse consequences of the competitive contracting process that they perceived. According to the literature as well as indicated by the private providers in our study, larger RTAs have been able to enjoy greater success with their contracting endeavors because they often might have to contract more often, as well as have greater resources that they can pool more efficiently in each stage of the contract process (Brown & Potoski, 2003). Therefore, we argue that the empirical findings supports the claim that complete contracts require that the contracting process consider multiple factors ex ante awarding, ultimately leading to a greater importance of the contract in achieving accountability for public service provision (Camén, et al., 2011; Hensher & Wallis, 2005).
CONCLUSION

Initially our empirical findings indicated that actors perceive their roles in accordance with the common purchaser-provider form of providing public service. In other words that the politicians’ roles are to identify the need for public bus services, the civil servants role is to find solutions in order to satisfy the need and the providers’ roles are to cater for this need. However our informants mentioned the importance of legal competence when county governments procure public bus services. In these cases the civil servants at the RTAs are the ones perceived to have this knowledge and face an increased focus on holding actors legally accountable for the provision and performance of public bus service. Civil servants were therefore perceived as the driving force in public bus service provision making the role of politicians less clear and the role of the private providers mainly as fulfilling contractual agreements. We also find that actors perceive the role of the procurement regulations as a facilitator in achieving a fair and transparent procurement process. The appeals were simply accepted as part of the legal environment. These perceptions we argue have implications on how accountability is perceived. Instead of the political institutions deciding and having oversight of public bus service provision, the legal institutions do this. We argue that the role of the procurement regulations facilitates actors to perceive themselves as legal subjects, with duties and responsibilities stated in legal formulations. In such cases political issues are prone to be stabilized and representatives become more involved with legal processes and maintaining already established regimes. Public providers perceive their role as providing a good public bus service regardless of an explicit contract. In their relationship with politicians and the RTA, contracts have a secondary role. Rather they develop processes in the long run in unison with RTA and politicians. Considering that for procured public bus service, there is a focus on explicit responsibilities and holding actors legally accountable, we argue that accountability for public bus service is determined to a large extent by the contract. In turn this depends on the ex ante contractual considerations made in the process of procuring public bus service.

Our study has contributed to the academic literature by providing insights to how different actors perceive their roles, the role of procurement regulation and the role of the contract in providing public bus service. This study contributes to the literature by providing insights of how different actors involved in a particular context of public service provision perceive accountability, rather than focusing on the governance structures and regulations per se. We
have provided insights of the role of regulation and the increased importance of legal institutions even on these fairly low levels of politics, with regards to accountability for public bus service. Further we provide insights to how accountability mechanisms can become fragmented when civil servants roles are perceived as heightened and the role of politicians is unclear. This we argued was facilitated by civil servants being perceived as the ones who possess the key technical knowledge in order to provide a good public bus service. We further contributed with insights to how the contract becomes the determining factor of accountability for public bus service when county governments procure public bus service. For practitioners our study can add to how the different actors involved in the provision of public service understand each other and the situations that they face. With better understanding of each other and how different aspects affect accountability of public bus service provision practitioners hopefully can be equipped with the necessary tools in order to improve the provision of public bus service.

For future research it would be interesting to perform a study with a similar aim and research question but in other contexts of public service provision like in the health care industry or institutions for education. Since our study was limited with regards to the number of informants interviewed, our conclusions cannot be argued to be typical for the entire public bus service industry in Sweden. Rather that the findings were isolated to the situations perceived by our informants. Future research could attempt to target larger groups of actors and larger RTAs instead, to hopefully make more generalizable conclusions. Another suggestion would be conduct a longitudinal study of the provision of public bus service, where the researcher follows a procurement of public bus service and how it unfolds in actuality. Researchers could partake in the different meetings between actors, and study how accountability mechanisms unfold in typical situations.
REFERENCES


Swedish Code of Statutes 2007:1091, _The Procurement Act, Lagen om offentlig upphandling (Swedish law)_.

Swedish Code of Statutes 2010:1065, _Public Transport Act, Lagen om kollektivtrafik (Swedish law)_.


APPENDIX A – INTERVIEW GUIDE POLITICIANS

Background questions:
- Shortly describe your role in the RTA’s political board.
- How long have you worked in the board?
- What is your role in procurement processes?

Questions related to provision of bus services:
- Can you give a short description of the market and the market situation for public transport services?
- Can you give a short description of how you procure public transport services?
  - How does it work when you specify the procurement documents?
  - Who in the political board are involved in the procurement process?
  - Do you have people with any specific competence involved in the procurement process?
  - Can you describe the process of a typical case?
- What requirements do you have on the providers in procurements?
  - Do you have any general requirements on providers in procurements?
  - Are there any requirements of the providers to for example have backup plans for potential errors/problems?
- Can you describe your relation to the civil servants/providers a) under a procurement process, b) during the contract period and c) during an evaluation?
  - How often do you meet the civil servants/providers?
  - What is discussed at these meetings?
- Can you describe how you work with quality controls and evaluations?
- How do you evaluate the delivered services?
  - What are your main measurements of quality?
  - Is it the same people who have conducted the procurement that later take part in the evaluation?
  - How do you work with the procurement regulations in order to evaluate the delivered services?
- How do you perceive the procurement regulations?
  - Describe the pros and/or cons that you perceive with the procurement regulations.
  - Do you think that the regulations help to maintain a good market competition?
  - Do you think that the regulations contribute to an efficient use of public resources?
APPENDIX B – INTERVIEW GUIDE RTAS

Background questions:
- Shortly describe your role in the organization.
- How long have you worked in the organization?
- How long have you worked in the current position?
- What is your role in procurement processes?

Questions related to provision of bus services:
- Can you give a short description of the market and the market situation for public transport services?
- Can you give a short description of how you procure public transport services?
  o How does it work when you specify the procurement documents?
  o What people in the organization are involved?
  o Do you have people with any specific competence involved in the procurement process?
  o Can you describe the process of a typical case?
- What requirements do you have on the providers in procurements?
  o Do you have any general requirements on providers in procurements?
  o Are there any requirements of the providers to for example have backup plans for potential errors/problems?
- Can you describe your relation to the politicians/providers a) under a procurement process, b) during the contract period and c) during an evaluation?
  o How often do you meet the politicians/providers?
  o What is discussed at these meetings?
- Who are the providers in your different traffic contracts at the moment?
- Can you describe how you work with quality controls and evaluations?
- How do you evaluate the delivered services?
  o What are your main measurements of quality?
  o Is it the same people who have conducted the procurement that later take part in the evaluation?
  o How do you work with the procurement regulations in order to evaluate the delivered services?
- How do you perceive the procurement regulations?
  o Describe the pros and/or cons that you perceive with the procurement regulations.
  o Do you think that the regulations help to maintain a good market competition?
  o Do you think that the regulations contribute to an efficient use of public resources?
APPENDIX C – INTERVIEW GUIDE PRIVATE PROVIDERS

Background questions:
- Shortly describe your role in the organization.
- How long have you worked in the organization?
- How long have you worked in the current position?
- What is your role in tendering processes?

Questions related to provision of bus services:
- Can you give a short description of the market and the market situation for public transport services?
- Can you give a short description of how it works when you put tenders on public transport procurements?
  - What people in the organization are involved?
  - Do you have people with any specific competence involved in the tendering process?
  - Can you describe the process of a typical case?
- Does it happen that you refrain from bidding because you consider that the transaction costs are too high? (By transaction costs we mean costs that depend on the regulations and that the procurement documents are too complicated and difficult to understand)
  - What other factors determine whether you will take part in a procurement process or not?
- Can you describe your relation to the civil servants/politicians a) under a procurement process, b) during the contract period and c) during an evaluation?
  - How often do you meet the civil servants/politicians?
  - What is discussed at these meetings?
- Which RTAs do you have traffic contracts with at the moment?
- Can you describe how you work with quality controls and evaluations?
- How are you evaluated by those who have procured the traffic contract with you?
  - What are the main measurements of quality used when you are evaluated?
  - Is it the same people who have conducted the procurement that later take part in evaluating you?
  - What is your view upon the procurement regulations in connection to when you are being evaluated?
- How do you perceive the procurement regulations?
  - Describe the pros and/or cons that you perceive with the procurement regulations.
  - Do you think that the regulations help to maintain a good market competition?
  - Do you think that the regulations contribute to an efficient use of public resources?
APPENDIX D – INTERVIEW GUIDE PUBLIC PROVIDERS

Background questions:
- Shortly describe your role in the organization.
- How long have you worked in the organization?
- How long have you worked in the current position?

Questions related to provision of bus services:
- Can you give a short description of the market and the market situation for public transport services?
- Can you give a short description of the process when you were assigned the contract?
  - What people in the organization were involved?
  - Was there a need to involve people with competence of procurement processes? (If yes, develop, what were their roles?)
- Can you describe differences and similarities between you and the private providers?
  - What societal benefits do you think there is compared to if your traffic were procured?
- Can you describe your relation to the civil servants/politicians a) under a procurement process, b) during the contract period and c) during an evaluation?
  - How often do you meet the civil servants/politicians?
  - What is discussed at these meetings?
- Can you describe how you work with quality controls and evaluations?
- How are you evaluated by the RTA?
  - What are the main measurements of quality used when you are evaluated?
  - Is it the same people who took part in the contract assignment that later take part in evaluating you?
  - What is your view upon the procurement regulations in connection to when you are being evaluated?
- How do you perceive the procurement regulations?
  - Describe the pros and/or cons that you perceive with the procurement regulations.
  - Do you think that the regulations help to maintain a good market competition?
  - Do you think that the regulations contribute to an efficient use of public resources?
  - How would you describe that the procurement regulations contribute to public policy goals?
APPENDIX E – INTERVIEW GUIDE COUNTY AUDITOR

Background questions:
- Can you describe your role as a county auditor?
  - How is an audit conducted?
- What different assignments do you have now?
- How long have you worked with your audit assignments?

Questions related to provision of bus services:
- How has your role as auditor changed after the new public transport act (kollektivtrafiklagen) came into effect and the limited public transport company lost its purpose?
- What view do you have upon the market and the market situation for public transport services?
- What view do you have upon the procurements of bus traffic?
- As an auditor, are you involved in evaluations of procurements of bus traffic that has been made?
  - If not, do you see that there is a need for this?
- Why do you think that so many procurements of bus traffic gets appealed?
- As an auditor, what kind of relationship do you have to politicians/procuring civil servants/providers a) during a procurement process, b) during the contract period and c) during an evaluation?
  - How often do you meet these actors?
  - What is discussed at these meetings?
- Can you describe how politicians/RTAs/public providers/private providers work with evaluations of the activities/the delivered services?
  - How do they work with the procurement regulations in the purpose of evaluating the delivered services?
- How do you perceive the procurement regulations?
  - Describe the pros and/or cons that you perceive with the procurement regulations.
  - Do you think that the regulations help to maintain a good market competition?
  - Do you think that the regulations contribute to an efficient use of public resources?