# Tidying Up? 'EU'ropean Regionalisation and the Swedish 'Regional Mess'

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Tidying Up?

‘EU’ropean Regionalisation and the Swedish ‘Regional Mess’

Abstract The regional level of governance has been intensively discussed in Sweden since the 1980s. One of the reasons is that Sweden has an obvious national level of administration and an equally obvious local level of administration (with relatively independent municipalities). However, despite the debates regarding change, the county (regional/meso) administration level actually remained incoherent, meaning that the term ‘regional mess’ is frequently used to describe it. Drawing on empirical work, this article evaluates recent attempts to change regional governance in Sweden that have resulted from domestic and international (and especially ‘EU’ropean i.e. EU membership) pressures. In particular, the article focuses on the experimental reform at regional level – the development of Regional Pilot Project regions and, subsequently, the Regional Development Councils. It establishes the mix of domestic and European pressures, which produced these changes, and argues that the result has been an exacerbation, rather than a cleaning-up, of the ‘regional mess’.

Key words: Regionalisation, Regional Pilot Project, Regional Level, Sweden, Europe of the Regions Debate

Introduction – Understanding Sweden’s ‘Regional Mess’

Since the 1980s the Swedish regional level has been intensively discussed. The main focus of this discussion has been who should be responsible for what and at what level and what role should (if any) the regional level play within the administrative structure. This issue is even more salient today – as will be illustrated in this article – with 40 different actors (some with overlapping competences) at regional level and 38 different regional ‘maps’ or regional administrative divisions of the country. The article can be divided into three parts. The first part explores what the regional mess
in Sweden is and where one can find the origins of it, it also locates the Swedish regional reform – Regional Pilot Project – in the Europe of the Regions debate. The middle part of the article explains the introduction of the Regional Pilot Project and the role that EU membership has had in this, namely as an argument. The conclusion sections – Explaining the Regional Pilot Project and Cleaning up the Regional Mess - are the analytical heart of this article, drawing upon fieldwork carried out in Sweden during 2003 and 2004 with persons involved in the regionalisation process at all levels (local, regional and national) and who are politicians, civil servants or associated with the interest organisation for municipalities and county councils (The Swedish Association of Local Authorities and Regions).

A Regional Mess?!

The Swedish state structure can be described as an hourglass. According to PETERSSON (2000:84) a comprehensive summary shows that public power in Sweden is relatively centralised and concentrated. Sweden can rightly be described as both a centralised country (bearing in mind the strong central government) and as a decentralised country (with the important role within the welfare state played by municipalities). However the county administration still remains ambiguous – so much so that the term regional mess is sometimes used to describe it. At the regional administrative level in Sweden there are many actors such as the County Council, the County Administration Board, municipal association, and central state agencies. There are currently 40 different central state actors present at the regional level and currently Sweden has 38 different regional ‘maps’ (OLAUZON 2006). This has left the regional administrative level with unclear jurisdictional borders, different ad hoc institutions (for example, different kinds of municipal associations depending on area
of co-operation) and cross-county border co-operation with a web of interlocking authorities and loyalties (JERNECK and GIDLUND nd.).

The term *regional mess* thus refers to the complex co-operation between actors and political levels (local/municipal, regional, and national), or as Bengt Owe Birgersson (who headed up the Commission of Inquiry with the task to analyse the regional organisation of public services in the early 1990s) defined it: ‘it occurs when too many responsible authorities and too many agencies, administration and political bodies co-operate in far too many policy issues within far too changeable geographical areas where the borders rarely coincide and sometimes clash’ (REGIONUTREDNINGEN 1992:63). Hence the *regional mess* originate from the meeting of two interrelated problems: partly it is about the relationship between the different political levels, where the regional level exists in interplay between the local, national and supranational levels, and partly it is about the multitude of different actors, both public and private (for further discussion on this see BENZ *et al* 2000).

Moreover, it is in this dividing line (between levels and actors) where BADERSTEN (2002:33) argues that the complex co-operation has arisen. What also makes the regional level blurred is that the relative clarity with regards to who is responsible for what and their respective roles, which can be found at both national (central) and local (municipal) levels, is still lacking at the regional level. Or as LINDSTRÖM (2005:63) incisively puts it, Sweden has very little of what elsewhere in Europe would fall under the term ‘region’ (i.e. a clear regional executive that can be found in, for example, German *Länder* or the Scottish Parliament). Thus the (in)famous complex problem Sweden experiences regarding regional co-ordination is not only about improving co-operation between different policy measures, but also creating a more united view on what really motivates a future development of the role of the regions in politics.
(LINDSTRÖM 2005:66) and a clear regional executive within the Swedish administrative structure.

However, the historical heritage of Sweden’s regional mess needs to be explored further in order to set the current mess into context. Sweden – and especially the Swedish central administration – has after decades of investigations/inquiries and political discussion still not been able to decide which role the regional level and regions should have within the Swedish administrative structure. The result of this has been a constant tottering between different suggestions of reforms, marginal displacements with regards to who should be responsible and constantly changing constellations of co-operation between actors and interest groups at the regional level (LINDSTRÖM 2005:64). LINDSTRÖM (ibid) argues that a probable cause of the central governments decision angst over what to do with the regional level is Sweden’s historical heritage from the Middle Ages and the establishment of Sweden as a united territorial state. This is because the Swedish unitary state developed through a gradual elimination of the then regional level (landskap – provinces). A systematic centralisation over the new territory took place where a newly instituted regional level – county (länn) – was established. Sweden today has more or less the same county division that was introduced in 1634. This was followed by a transformation, at the local level, of the then parishes into municipalities\(^2\), into an authority that did not have the potential to challenge the central state in its supreme wielding of power in the same way as provinces, which were both larger and more historically rooted. It is through this development that Sweden’s divided political power structure consisting of municipalities and the central state has dominated the territorial politics until today. Thus, with the growth of the welfare state since World War Two and the resultant gradual demand for larger and more administratively
capable actors with responsibility for carrying out policy implementation, the decision
was made that there should be a continued focus on the municipalities as the central
state’s principal partner in the role as policy implementer. In order to comply with the
need for a more efficient municipal actor the central state went through a series of
municipal mergers (LINDSTRÖM 2005:64-65, PETERSSON 2000:94,
GUSTAFSSON 1996 chapter 3), and today Sweden has 290 municipalities (1st
January 2006), a reduction from around 2500 in the 1950s.

The main features of the ‘Swedish Model’ have been identified by LOUGHLIN et al
(2005:351-352) as:
- high level of welfare provision through general taxation;
- high rates of tax for both individual and businesses;
- an active labour market policy with a commitment to full employment as a
  means of providing these taxes;
- uniform standards across the country based on the principles of equity and
  fairness; and
- an important role for local authorities in the delivery of these services.

It is this last feature that illustrates the hourglass characteristic of the Swedish state –
a strong central state setting the standards across the country, as well as coordinates
the redistribution between local authorities, and the strong local level in the delivery
of these services. Thus, LOUGHLIN et al (2005:365) argues that at the core of the
current debate about the role of who should provide the services of the welfare state
can be seen as a tension between those, who are mainly found in favour of local
authorities and thus advocates further decentralisation of local autonomy (and to some
extend diversity in services provided), and those who are in favour of
(re)centralisation of services in certain areas and regulations relating to services
carried out in the name of the welfare state. This tension is also visible in how the welfare services are being paid for, by local taxes. It is worth pointing out that the local levels (constitutionally Sweden has two levels – the national and the local – the difference between county and local level is, in essence, population based. Services that need a larger population base such as health care and medical care can be found at the county level. The county councils and municipalities has a constitutional right in Sweden to levy taxes in order to carry out the tasks assigned to them by the central state (see LOUGHLIN et al for an excellent overview of the recent changes to local income tax in Sweden). The hour-glass structure is further illustrated if one examines the expenses of Sweden at the various levels; the central state’s expenses were €79 billion, the County Councils expense was €19.3 billion (the breakdown of spending is per 100skr of county council tax (approximately €11) 89skr is spent on health and medical care; 3skr on dental care; 1skr is spent on education and culture; 5skr is spent on public transport; and 2skr is spent on other activities – included here is regional development (SVERIGES KOMMUNER OCH LANDSTING 2005b:60)); whereas the local authorities expense were €46.5 billion in 2001. Thus the total expense of the local authorities is almost the same size as the central state; this further indicates the importance of the local authorities in both the political and administrative system. The debate over the regional administrative level picked up again as a result of pressures from the county level and in 1991 the Swedish government appointed a one-man Commission of Inquiry with the task of investigating the public sector in relation to the existing regional structure. The focal point of the Inquiry was the need for a co-ordination of responsibility for regional economic development and growth. The Inquiry’s report Regional Roles – a Perspective Study presented three alternatives for the regional organisation of society. The inquiry also examined the geographical
division of Sweden, and outlined three alternatives for fewer and larger counties; however, any actual suggestion for a new county division was not presented.

The Commission of Inquiry into the regional level delivered its report to the Parliamentary Committee on Regional Administration in 1992. This Parliamentary Committee had as its task to analyse the proposal made by the Commission on Regional Administration, and from both that and any other sources available propose idea(s) on both what the public administration’s structure at regional level should look like as well as the regional division of the country. The Committee on Regional Administration saw all three alternatives as realistic; however, the Committee rejected the thought of Sweden as a federal state for two reasons. Firstly, Sweden is a small country in comparison with other European countries; and secondly, because Sweden is so sparsely populated (HALVARSON et al 2003:123). The Parliamentary Committee presented its report Regional Future and recommended a deepened and unambiguously regional self-government; it also suggested that the regional development responsibility should be transferred from the County Administration Board to the County Council. The Government put forward the bill Regional Organisation of Society in 1996 as a response to the Parliamentary Committee’s report. The Swedish parliament passed the bill and the regional reform process regained momentum with the introduction of the Regional Pilot Project on 1st July 1997. However, in order to be able to fully appreciate the regional reform process currently taking place in Sweden one must, first, generate an understanding of the pressures for reform. The next section of the article focuses on this task.

Swedish Regional Reform – a case of ‘EU’ropean Regionalisation?

The hourglass structure of the Swedish state is changing. According to PETERSSON (2001:68) there are five tendencies which facilitate or cause this change:
Globalisation/internationalisation and especially European integration with which has emerged a supranational decision-making level with increasing powers;

- The central state’s relative importance is decreasing – with competences passing to a supranational level and the strengthening of the regional level;

- EU’s new regionalism where the positions of regions is strengthened;

- Privatisation – certain tasks that the county council and municipality are responsible for are taken over by private persons, private business, or associations, for example, a parent association being formed which takes over childcare; and

- Kommundelsnämnder – sub-divisions of a municipality – are creating a new and more local organisational level in society; this is an attempt to decentralise powers within the municipality, and these sub-divisions are expected to enhance local democracy by closer contact between citizens and local political decision-makers.

The tendencies of privatisation and kommundelsnämnder fall under the heading of endogenous factors, whereas, internationalisation/globalisation, the shift of some decision-making from national level to supra-national level and the partial emphasis on regionalism of the EU can be classed as exogenous pressures for change. These pressures for change can also be seen if one examines changes at the regional level throughout Europe during the 1980s and 1990s. LOUGHLIN (2001:21) argues that these changes may be the result of gradual and increasing pressures for change to various – both internal and external – challenges, or the changes may be the result of reform programmes (e.g. French decentralisation in the 1980s or the current devolution process in the UK). He also argues that some of the challenges are
particular to the state in which it takes place while others are common to all, such as
globalisation, social changes, Europeanisation, and regionalisation. One can view the *Europe of the Regions* debate as a process facilitating
regionalisation, i.e. a greater role for regional bodies in the administration of public policies. This debate over the region and what role is should have was given weight as well as was revitalised during 1988-1993 when the central governments were perceived to be losing some of their power base to both the supranational level and the sub-national level through the partnership principle ‘forcing’ the national level to co-operate with sub-national actors/authorities, the creation of Committee of the Regions, and with the increase over the years in the EU regional policy budget (ALLEN 2000:245). The notion of a *Europe of the Regions* re-emerged in the 1990s, simultaneously with the Single European Market and the discussion of a federalisation of the European Union. The concept originally referred to a federal Europe where it would be the region and not the nation state, which was the constituent part of the Union. However, a federal Europe is very unlikely today as it is the nation state that remains the key level of government. Nevertheless, the usage of the term *a Europe of the Regions* is an important indicator of the increased importance of region within the EU. What is important here is the fact that the intensifying of European integration through the 1987 Single European Act and the revision of the EC treaties at Maastricht and Amsterdam has created a new administrative and legal environment for local and regional authorities to which they have been obliged to adapt (LOUGHLIN 2001:24-25). KEATING (1998:17) argues that the EU has modified the state-region [sub-national authorities] relationship, this because the traffic between regional interests and the EU has not been one-way. The European Commission itself has played an important role in mobilising regional interests,
establishing new networks and creating dialogue among regions, states and itself (KEATING and HOOGHE 2001: 247). As the EUROPEAN COMMISSION (1999:143) has stated the relationship between the European Commission, national governments and regional and local authorities is one of partnership and negotiation, rather than being a hierarchical one.

Regionalisation, in this case, involves the development of a new kind of politics and policy-making, in which space becomes significant as the context in which public tasks are performed. Regionalisation thus creates new structures and procedures, with the region/regional level becoming a new forum for mobilisation, co-operation, participation, and democratic self-determination (BENZ et al 2000:7).

It may seem paradoxical that the creation of regions as new sub-national authorities is only one manifestation of the regionalisation process. In fact, it is a rather exceptional one, as regionalisation processes can help disaggregate state functions. Paradoxically they also demonstrate a wish to develop structures that allow actors to carry out functions that appear to be becoming unmanageable at nation state level (KEATING and HOOGHE 2001:242). Furthermore, when it does occur, regionalisation may be in response to considerations other than those defined by the European Parliament¹⁰, even if the institutions created do fulfil the needs it stipulated as for example in the cases of Spain and Italy (EUROPEAN PARLIAMENT 2000:23-24). Indeed, this has happened in Sweden, with the introduction of the Regional Pilot Projects and subsequently with the Regional Development Councils.

There are both top-down and bottom-up regionalisation processes; the top-down process is usually seen as a state-led process and can have more political aims such as to pre-empt and to contain bottom-up regionalism (when the pressure for change comes from sub-national levels) (JOHN 2001:111). There are certain functions,
according to JOHN (2001:111), which create a need for a regional level, for example transport and regional economic development because local government cannot effectively perform this task. JOHN (2001:114-117) has also set out factors that influence both processes of regionalisation.

“Table 1 about here”

When examining various regionalisation processes one has to take into consideration that regionalisation can be perceived as a central state policy where the state consciously constructs regional centres of power – thus a state-led top-down process. Regionalism (the bottom-up process), on the other hand, can be viewed as a phenomenon from inside where regional actors ideologically construct their territory and create various forms of regional networks. However, regionalisation without regionalism can be expected to lead to regional technocracy and regionalism without regionalisation can be expected to lead to political tensions between the centre and the periphery (GIDLUND 1999:5-6). This leads us neatly to the current regionalisation process in Sweden, which one can argue started with the introduction of the Regional Pilot Project in 1997.

_The Regional Pilot Project_

In terms of political administrative powers the Regional Pilot Project can be viewed as a small revolution. The Regional Pilot Project regions were granted new competencies in issue-areas that were formerly the prerogative of the County Administrative Board. The pilot regions assumed responsibility for regional development and long-term planning, including tourism, the allocation of EU funding, and regional transport infrastructure. In addition to being answerable for drafting the strategies for the county’s long-term development, the new political body in each pilot region also had/has the main responsibility for acting as the region’s representative in
the dialogue with the central state in the Regional Growth Agreements (PARK 2000:51-59).

The Regional Pilot Project can be divided into three phases. The first phase of the central state-led reform process (1 July 1997 – 31 December 2002) was from the start marketed as a controlled experiment, or trial, with limited duration and scope (JERNECK and GIDLUND n.d.). In temporal terms, the regional pilot project can be depicted as a three-track procedure; the first phase was the actual initiation of the five-year process, and the granting of new competencies to the self-governing bodies of the four participating regions. This was followed by a mid-term evaluation carried out by Parlamentariska Regionkommittén (PARK)\(^{11}\), roughly halfway through the trial period. It was the result of the evaluation by PARK that initiated the second phase in the regional pilot project, the phase that Sweden currently finds itself in. The third phase will start after the publication of recommendation for the future of the regional level by Committee on Public Sector Responsibilities in February 2007.

As a response to PARK’s recommendations the Swedish Government put forward the bill *Regional Co-operation and Central Administration at County Level*. PARK had in its evaluation suggested that the time period should be prolonged to the end of 2006 for the four pilot regions. The Government bill wanted the trial period for the four regions to end as already decided at the end of 2002. However, after a proposal from the Standing Committee on the Constitution, and a debate and vote in the parliament it was decided that both Region Skåne and Västra Götaland Region would continue with the trial. An alternative was presented in the Government bill; this alternative meant that all municipalities and county councils in Sweden can participate in a new form of *regional co-operation* in connection to regional development.
‘Regional development is neither purely a municipal responsibility nor the responsibility of the state. State and municipality must co-operate from a democratic perspective anchored in respective levels of democracy (i.e. national, county, and local levels). The regional level has a given place within the co-operative arena between state and municipalities, county councils, business and organisations’ (REGERINGEN 2001/02, author’s own translation).

What the Swedish Government proposed was the introduction of Samverkansorgan; a Regional Development Council consisting of the municipalities in a county, and, if it so wishes, the County Council. The result of this was that the regions of Skåne and Västra Götaland were to continue as regional pilot regions until the end of 2006, and the other two regional pilot regions, the counties of Kalmar and Gotland, were to transform into Regional Development Councils when the trial period ended on 31 December 2002. However, this has since changed, after a decision in the parliament, which prolonged the trial status of Skåne and Västra Götaland until the end of 2010 – as Sweden is currently awaiting the findings of the Committee of Public Sector Responsibility that are expected to be published in February 2007. Even though Sweden has two new regions – Skåne and Västra Götaland – one could argue since they are constitutionally on the same level as the County Councils and municipalities. (Sweden only has two levels – national and local. The difference between local authorities and county councils is the population size needed for the task with which they are assigned to carry out) Thus, one could view these two regions as up-graded county councils. There has been (and still is) resistance within the central administration in viewing Skåne and Västra Götaland as regions; however this is not the view in the two regions. The opinion in the two regions is further backed by the
CLRAE’s report on local and regional democracy in Sweden (2005) which states that these two regions politically and functionally have more in common with regions in ‘EU’rope, than the county councils (SVERIGES KOMMUNER OCH LANDSTING 2005a:32).

The Law *Lag (2004:34) om samverkan i länen* which enables the creation of Regional Development Councils came into effect on 1 July 2002. However, the Regional Development Councils could not take over the responsibilities allocated to them until 1 January 2003. What is interesting about the Regional Development Council structure is that it is based upon the *Kalmar Model* (JERNECK and SJÖLIN 2000:27; EHN 2001), i.e. from the first phase of the regional pilot project. It consists of indirectly elected politicians; however, one major difference is that the Regional Development Council must consist of *all* municipalities within a county, and if it so wish the County Council. It should be noted that the in the 9 Regional Development Councils that are currently in operation, all County Councils have opted to participate. Still, the Regional Development Council can only be formed if it fulfils the criteria set out in law. This matter because, it only takes one municipality within a county to block the creation or the folding of a Regional Development Council.

Explaining the Regional Pilot Project

As this article seeks to ascertain the extent to which the recent regionalisation processes in Sweden have made a difference to both the regional mess and the ‘hourglass structure’ of the state one needs to explore the origins of the Regional Pilot Project. One can here discern both endogenous and exogenous (in this case ‘EU’ropean) arguments by actors in favour of regionalisation, and how these arguments have been intertwined by the actors within the process, for example, one argument used is that ‘with globalisation it becomes even more important what we do
at regional/local level’ (AXELSSON 2006). When Sweden applied for membership of the European Community in 1991 this put the regional level back into the spotlight. The (possible) EU membership brought new vitality into the Swedish regional debate and process. Through my interviews with persons involved in the regionalisation process new variables for the process surfaced, and one of these was that EU membership highlighted the need for a Swedish regional executive; one can here draw a comparison to Kissinger’s legendary question who speaks for Europe?, i.e. who speaks for the regional level in Sweden? As a corollary, it was considered that Sweden needed a capable regional politician in order to escape the situation of not knowing who to call, as well as a person whom also is accountable for the decision/s taken on behalf of the region.

Did Swedish EU membership play a part in helping the regionalisation process insofar as it created new, unanswerable pressures for reform? Or was it just used as a convenient argument for empowering the regional level? I argue that EU membership was partly the cause – one of many – that strengthened the regionalisation process. There are three main reasons for this:

- EU membership provided models of and pressures for more professional working methods for dealing with issues at regional level;
- The partnership principle within EU structural funds; and
- EU membership put renewed focus on the regional level.

(Interviews with a member of Västra Götaland Council, May 2003; the Chair of the Regional Council in Kalmar County, June 2003; and Chief Executive Officer with the Regional Council in Kalmar County, June 2003).

A source of inspiration was the European debate at the time (late 1980s and early 1990s) over the notion of a Europe of the regions. Swedish EU membership thus put
focus on the regionalisation issue, in view of the fact that Sweden had long needed to take the issue in hand and come up with a solution to the unclear role-sharing between actors at the regional level (i.e. the regional mess). However, preparation for EU membership placed a new emphasis on this. In the political system, at the regional level in Sweden, there is no clear person to ‘call’ at the regional level. This became even more salient when Sweden joined the EU, especially as in some cases civil servants from the County Administration Board had to take decisions, which later had to be ‘defended’ at home (interview with Deputy Director, Ministry of Finance, June 2003), if these decisions were taken by a regional politician the issue of accountability could be avoided. Thus the conclusion can be drawn that EU membership (Interview with the Chair of the Regional Council in Kalmar County, June 2003) was used as a vehicle to push the regional agenda forward by sub-national actors arguing that they should take over responsibility for regional economic growth and development, and to provide a locus of accountability. The sub-national levels in Sweden then took the opportunity provided by EU membership to put pressure on the national level for change. There has been, one could argue, an informal network of actors promoting the idea of regional government.

“Table 2 about here”

In the context of this network it is impossible to distinguish if there was particular support/resistance for the regionalisation process at national level or in one particular political party. Instead, it appears that the persons within the network shifted around, moving from being civil servants, interest organisation employees, and/or politicians. Moreover, these people often held office at different levels of government in the relevant period.
One conclusion, which can be drawn from this, is that there were no separate norms or agenda regarding regionalisation in particular levels of government but rather that the ‘supporters’ of regionalisation came together in this informal network because they shared an interest in promoting the regional level of governance for a range of reasons. There was a feeling in the regions (interview with former State Secretary at Ministry of Industry, Employment and Communication, March 2004; interview with Chair of the Regional Council in Kalmar County June 2003) that ‘Stockholm’ was not interested or active enough in solving the regional problems. However, for this perception to be translated into structural change, it was necessary to secure support from key actors at national level too. The role of Jörgen Andersson in pushing through the relevant reforms illustrates this dependence upon networking; his presence in a key position helped the reform see the light of day, and his departure from the relevant office helps explain the subsequent difficulties of regionalisation (the introduction of Regional Development Councils). Within the Swedish government there have been for some time both opponents and supporters of further regionalisation and decentralisation. At the moment of introduction of the regional pilot project there was a ‘majority’ for, or rather, within the government there was a rather strong supporter of regionalisation who enabled the introduction of the regional pilot project (on rather opportunistic grounds, one may argue, because of funding from the EU structural funds). This supports the thesis that there was a window of opportunity – the right people in the system, at the right place in the right time (for supporters of regionalisation anyway!).

The regional actors’ desire to take more responsibility over the region’s economic growth and development coincided with the financial crisis that Sweden went through in the early 1990s. In the then difficult financial climate, regionalisation became an
attractive option of the government to off-load responsibilities and unpopular decisions with regards to cuts in funding for service (Interview with a Swedish Member of Parliament, June 2003) (see also GREN (2002b); MÉNY and WRIGHT (1985) for a discussion on transfer of ‘crisis’ management to a lower level, the regional in this case). It was also part of a more general attempt to try new structures for Sweden’s unprecedented economic problems. It was at this moment in time that the changes in regional administration and in Swedish regional policy become re-enforcing of each other. After the financial crisis traditional regional policy in Sweden was no longer possible and in the spring of 1998 the Swedish parliament approved the bill Regional Growth – for Employment and Welfare. This bill contained a proposal for a regional industrial policy and the overall objective of the policy was to utilise the unique features of each region. To succeed in this endeavour, industrial policy will have to be adapted to regional and local conditions, thereby putting the region in the spotlight. There was a realisation that within today’s Sweden all three levels (central, regional, and local) are needed within the administrative/service structure of the state. For example, some municipalities are too small as people commute over the municipality-borders for employment and/or education and thus there was a realisation that co-operation between municipalities was needed within further policy areas. To be able to solve welfare problems today one can argue that the national level is too big – it cannot solve the problems Sweden face on its own any more (interview with CEO Regional Council Kalmar County June 2003), for example the change of regional policy into regional industrial policy. There has also been a realisation that the local level is too small for some services within the welfare state, for example public transport policy; in addition, maintaining social equality in the face of economic recession was considered to require structural change (interview
with a Member of Västra Götaland’s Regional Council, May 2003) and a growing wish at regional level to challenge the competence of the central state in regional development policy (interview with CEO Region Halland, May 2003).

The bill introduced *Regional Growth Programmes* (modelled on the workings of the programme idea of the structural funds) and especially, it introduced the *regional partnership* principle into Swedish regional policy. Thus the argument here is that EU membership provided a new *toolbox* to work with within regional policy as a result of the practical experience gained by actors at regional level that has come through EU membership and the operations of the structural funds. The reason for briefly bringing in changes in regional policy to the debate about these to regional administration is that they are, unintentionally, a twinned process. In retrospection one can see the importance that the process of regionalisation and the process of decentralising Swedish regional policy took place at the same time. However, one needs to bear in mind that there was no co-operation in promoting the regional level between the then Minister for the Interior, Jörgen Andersson, and the Minister of Industry, Anders Sundström, although they were aware of what was happening within the other policy area. Today, these two processes are re-enforcing each other (interview with former State Secretary at Ministry of Industry, Employment and Communication, March 2004).

In the case of changes in the regional administration structure, then, Europeanisation¹³ (i.e. ‘EU’ropean pressures for change) does not play any direct role in the regionalisation process in Sweden. Instead of EU membership being the *cause* of the reforms to regional governance structures in Sweden it was rather used as an argument to justify them. However, what comes to light in the Swedish case is that in future research into regionalisation where one believe that the EU is the *cause* for
change one should examine the indirect, as well as the direct, effects of EU membership (i.e. ‘EU’ropeanisation). The present case shows how such indirect Europeanisation is possible and potentially significant. What is interesting with indirect Europeanisation is that here member states have, to varying degrees, begun to follow either one another, or the ‘EU model’ as regards to particular choices or regulatory frameworks – this happens out of choice (and sometimes need). The implication then is that Europeanisation can be accidental/indirect, i.e. that it can occur even without a direct and clear EU model or policy to be emulated if national discourse can be constructed on the basis of assumptions about what EU membership requires. KEATING’S argument (1998:185) that regions do matter in European integration because they have become a key level of functional transformation, or if one turns the argument around – that European integration plays a key role in regionalisation processes – one can see how indirect Europeanisation can take place. This argument is partly backed up by the Swedish case study, insofar as the regionalisation proponents have been seen to use the Europe of the Regions argument successfully as one could argue that the regional level is now seen to be the logical administrative level where economic growth can be created. Thus, the Swedish case can back up BÖRZEL’S argument (2002:3) that the EU can be conceived of as a political opportunity structure as it can provide new resources (arguments) to some actors, while constraining other actors. This can then cause a significant redistribution of power among domestic actors and/or result in institutional change.

Conclusions – Tidying Up Sweden’s Regional Mess?

In Sweden as in other European countries regional development issues are high on the agenda. Regional development is to a great extent located at regional level in Sweden, even if it is divided across many actors such as central state agencies and authorities,
county councils, municipal associations among others, that may cover different geographical areas (OLSSON 2003). By strengthening the region’s internal ability for action and to secure these policies and actions in legitimate institutions, i.e. elected bodies, the actors within the regionalisation process aimed to resolve the *regional mess* (PARK 2000:151).

One result of the establishment of Regional Assemblies in Skåne and Västra Götaland, and the Regional Development Councils is that in Sweden there is now a broader base when discussing the *regional level*. What has this meant for the *regional mess*?

“Table 3 about here”

This means that throughout the political system regional levels are varied and there is no single publicly elected accountable person to contact at the regional level in Sweden. Thus, neither ‘EU’ropean influence nor longstanding popular debate about *democracy* and *efficiency* has been sufficient to provide a person who ‘speaks for the region’. The changes which have taken place in the Swedish administrative structure during the 1990s with the introduction of the Regional Pilot Projects and the subsequent introduction of Regional Development Councils has not – yet – helped to sort the regional mess out. On the contrary, there are today more regional actors at the regional level.

Has Sweden’s ‘hourglass’ state structure then really changed? The pendulum is now swinging back towards the central state with the introduction of the Regional Development Council (interview with the Chief Executive Officer with the Regional Council in Kalmar County June 2003; interview with a Senior Adviser with the Ministry of Finance May 2003), and the *veto* right of municipalities to form a Regional Development Council can be seen to be a *catch 22* situation which the
government intended when it introduced the law.

“Table 4 about here”

There is thus something of a tug of war between the central and the local level (leaving the regional level to be pulled from two directions), but no fundamental change in the power structure. However, in order to illustrate the situation more fully, in relation to terminology there has been a change – today the use of the word region implies that it is believed that the region will increase further in importance within the state structure (interview with Deputy Director, Minister of Finance June 2003). However, how this will occur is another matter and one has to await the Committee on Public Services Responsibilities findings that is expected to be published in February of 2007 to be able fully to answer this question. Although there is today a conscious usage of the term region there has not been, so far, any transference of real financial powers to the region/regional elected actor with regard to regional growth agreements, as it is the central government that has the final say on how much of the budget will be spent within the regions through regional policy.

In addition to the change in terminology there has been a change in thinking on the government side, that the region is needed for the economic growth of Sweden. One could have believed that the power structure in Sweden would start to change with the introduction of the regional pilot projects in 1997. However with the re-centralisation (with the Catch 22 mechanism) introduced with the creation of the Regional Development Councils one could argue that the central state is re-claiming the powers given in 1997 to the Regional Pilot Regions. This can be argued despite the fact that the Regions of Skåne and Västra Götaland still exist and they have kept the powers that were transferred to them in 1997. Moreover, even though these two regions have taken over, from the old county council, the right to levy taxes, their main expenditure
is still centred on the tasks allocated to them as county councils, and their existence is only guaranteed until the end of 2010, having been extended only because the Swedish government did not want to anticipate the Committee on Public Sector Responsibilities’ judgement on and role of the regional level in Sweden (FINANSDEPARTEMENTET 2004).

Thus, to sum up, one can draw the conclusion that even though Sweden introduced a regional pilot project in 1997 with regions that had extended powers transferred to them from the County Administration Board, the subsequent re-centralisation of these powers (by stopping the regional pilot project for two of the regions, Kalmar County and the Island of Gotland, and also by introducing the regional development councils) allowed the central government to re-appropriate powers that had been decentralised. Thus the regional level in Sweden is back where it started, and is perhaps even a bit messier given the existence of a broader range of regional actors since the pilot project was begun. The power structure and the future of the regions now lie in the hands of the findings of the Committee on Public Services Responsibilities. When their report is published in February 2007, one can argue, that the current regionalisation process will enter into its third phase. What this phase will entail one has to wait and see. Hence, to return to the metaphor of the hourglass structure in Swedish state power relations, at the moment the waist (the regional level) is not expanding. Perhaps the best that can be concluded is that the state is metaphorically at the glass-blower’s, and that whether or not it will emerge as an hour-glass or a vase is not yet clear. In September 2006 Sweden elected a new non-socialist coalition government consisting of four parties (the Moderate Party, the Liberal Party, the Centre Party, and the Christian Democratic Party – with the differences of perception and role of what a regional level should look like or which roles it should have within
the administrative structure). It is too early to early to discern if this government will change the design of the hour-glass or what the design would look like. One can further see the division within the country when examining the *regional political map* that is in place since the September 2006 election.

“Map 1 about here”

Perhaps an answer to the design question of the hour-glass/vase, or at least partial answer, will be provided when the Committee of Public Sector Responsibilities have presented their findings. What we can expect is a tidying up of the current regional mess – how tidy this cleaning session will be one has, also, has to wait and see. It is with great interest we await the report from the Committee of Public Sector Responsibilities, although we can expect to see recommendations Sweden will have fewer *regions* and that these *new* regions are modelled upon the current regional pilot regions – Skåne and Västra Götaland. One could from this draw the conclusion that as EU membership highlighted the need for a Swedish regional ‘executive’ this has influenced somewhat the *new regions*, thus one could argue that they are the result of a successful *strategic* ‘EU’ropeanisation by the regional actors promoting regional governance.

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1. The terminology *county* and *region* will be used interchangeably throughout the article reflecting practice in Sweden, thus *region* and *regional level* refers to the *meso* level of administration in a three-tier system.

2. For a brief history and evolution of Swedish municipalities please see chapter 1 in GUSTAFSSON (1996) or chapter 3 in PETERSSON (2001).

3. This is not a new element of tension in Swedish politics. In this case it can be illustrated by the former prime minister Göran Persson’s principle - this refers to when Persson was asked in an interview if he had to choose between municipal self-governance, regional self-governance and the continued
development of the Swedish welfare state with its equal treatment of the citizens – then Mr Persson would choose the welfare state (JERNECK 2001).

4 The regional question in Sweden has had two main themes since the discussion began in the 1960 – democracy and efficiency. The democracy argument works out of the principle that more responsibilities and competences should be moved from the central and regional levels to municipal self-government. By doing this the decision-making process is transferred from central civil service employees at regional level (i.e. County Administration Board) to elected politicians. This argument has mainly come from political parties and from the municipalities and county councils. The second main theme – efficiency – is connected to the need for a mustering of strength which could ease the development of different parts of Sweden and help them become dynamic and competitive regions within Sweden, Europe and internationally. Such mustering of strength needs as a prerequisite a simplified, rationalised and effective regional public organisation, i.e. structural change (Author’s own translation, REGIONBEREDNINGEN 1995:163).

5 These alternatives were:

- The central state at regional level, i.e. the County Administration Board, should have responsibility for regional development issues. A more co-ordinated county administration, which should be expanded to more areas relevant to regional growth, should be established, and the County Administration Board’s role as a uniting regional agency should be strengthened.

- Municipalities, in co-operation with each other, should take over the responsibility for the regional development issues. The county council’s tasks would be transferred to the municipalities, and later the county councils would be abolished. The County Administration Board should in principle still have the same tasks, but possibly some tasks could be transferred from the County Administration Board to an agency which would be formed by the municipalities in co-operation.

- To create a new elected regional agency/assembly, which would then take over responsibilities from both the county council and the County Administration Board. The county council was to be abolished while the County Administration Board was to be transformed into the central state supervisory agency at regional level.

6 When the words ‘old’ and ‘new’ are used in any manner it conveys, according to GREN (1999:29) the significance of a particular break with the old, in this case the regionalisation process of the 1960s and
That process was based mostly on domestic politico-social issues. New regionalisation in contrast to old regionalism is more a question of logical shift in decision-making that is regarded as better exercised at a regional level than at the national level (GREN 1999:37). New regionalism differs from old regionalism through two main reasons:

- supranational regional policy; and
- a bottom-up movement which takes its strength from the region’s internal dynamics (GREN 2002a:7).

A kommunelsnämnd is a sub-division of a municipality. For example, the municipality of Stockholm is very big (approximately 763,000 inhabitants) thus it has been divided into smaller districts such as Bromma stadsdelsnämnd (approximately 59,300; inhabitants in 2003), and Hässelby-Vällingby stadsdelsnämnd (approximately 58,800 inhabitants in 2003) which have taken over the responsibility of, for example, childcare and care for the elderly within their districts.

European regionalisation – new regionalism – is concerned with the shift in decision-making from national level to sub-national levels (GREN 1999:37) and one can find the origins to this shift in EU’s supranational regional policy.

At least those regions which posses a strong identity such as Brittany, Corsica, Flanders, Wales and Scotland, although, over time one can see a growing identity within the newly created region of Västra Götaland, Skåne on the other hand has had a very strong regional identity. After numerous Commissions of Inquiry into West Sweden – the City of Gothenburg and surrounding areas – the region Västra Götaland emerged as the result of a fusion of three counties, Göteborg and Bohuslän, Älvsborg, and Skaraborg, and the City of Gothenburg. The municipalities of Habo and Mullsjö transferred from being members of Skaraborg County to Jönköping County. Since the 1 November 1998, the region of Västra Götaland (the Region of Västra Götaland became part of the regional pilot project on 1 January 1999) has been represented by directly elected members in a regional assembly.

With regards to Skåne, the Region of Skåne was also formed by merging the counties, in this case Kristianstad and Malmöhus, and the health services of the City of Malmö. The regional pilot project in Skåne began with giving the responsibility for new tasks to a Regional Council – Regional Association of Skåne – with Skåne’s municipalities and county council as members. The regional association was replaced on 1 January 1999 by a regional assembly, which was directly elected in the 1998 elections (PARK 2000). Thus we can see a difference in the creation of the two regions in Sweden, Skåne had
already an existing identity - when Sweden obtained Skåne from Denmark the King thought that one way of weakening the opposition to their new Crown and Country was to divide the province into two, thus Malmöhus County and Kristianstad County were created. However this has not altered the identification with Skåne as a province of people who live and are born there. Thus having a clear regional identity, whereas one can describe Västra Götaland as a metropolitan region, which centres geographically around Gothenburg. Things have started to change in Västra Götaland, the usage of Västra Götaland as a geographic reference point has increased. Since 1999 when surveyed inhabitants in this region has increased from 4 percent to 9 percent when answering the question on where one lives (SOM 2006).

10 The EUROPEAN PARLIAMENT’S (2000:23) has defined regionalisation as: ‘[A] process which creates a capacity for independent action aimed at developing a specific area (sub-national but supra-local) through the mobilisation of its economic fabric and, where appropriate, of features of local and regional identity, and through the development of its potential. This process can occur on the basis of existing institutions, or can give rise to a new territorial organisation which will better fulfil these aims. It is always conditioned by the constraints imposed by the political and institutional framework, which in turn can be influenced by other factors.’

11 A Parliamentary Committee consists of representatives from the Swedish political parties.

12 The Counties of Blekinge, Dalarna, Gotland, Halland, Jönköping, Kalmar, Södermanland, Uppsala and Östergötland.

13 OLSEN (1996:245) has summed up Europeanisation as the interplay between changes in the relations between European states and changes within each state. Europeanisation will thus, in this article, be used in what might be considered a top-down way; in Sweden this refers structural adaptation.

14 The Regional Assemblies of Skåne and Västra Götaland nor the Regional Development Councils.

15 Only the Centre Party has a track record at central level of advocating an elected regional institution; it has done so since the 1960s. The Centre Party no longer promote regional self-governance as a lone voice among the political parties, and has now been joined by the Liberal Party, the Green Party, and the Christian Democratic Party. Up until the 1990s the Left Party supported central state influence over the regional level; however they have switched position and now want to increase the region’s power. However, this apparent consensus is undermined by the dissent of the Moderate Party, which was in
favour of increased regional self-governance until the 1980s but is now against self-governing regions
and the apparent reversal of the brief change in the Social Democratic Party perspective.

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Table 1. Processes of Regionalisation

<table>
<thead>
<tr>
<th>Top-down Regionalisation</th>
<th>Bottom-up Regionalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional planning – when the nation state attempts to direct the localisation of growth i.e. localisation policy in Sweden</td>
<td>Regional mobilisation – where political movements challenge the legitimacy and the institutions of the national state</td>
</tr>
<tr>
<td>Regional functions – the emergence of special functions for the regional level, for example within the welfare state.</td>
<td>Democratisation – in this case regionalisation represents the extension of rights and equality, as the rise of identity politics coincided with a reaction against centralisation in southern European states i.e. Spain, Portugal and Greece</td>
</tr>
<tr>
<td>Crisis of the state – reformers of the state who are keen on more levels of government as they can ‘off-load’ uncomfortable and un-popular decisions to lower levels</td>
<td>Role of regional elites – the interests and strategies of regional elites which articulate a demand for regional government, and usually they and their organisations also benefit from the transfer of power from the centre downwards</td>
</tr>
<tr>
<td>The European Union – new regionalisation and the partnership principle within EU structural funds</td>
<td></td>
</tr>
</tbody>
</table>
Table 2. Key people in the current regionalisation process in Sweden*

<table>
<thead>
<tr>
<th>Name/Political affiliation*</th>
<th>Position</th>
<th>Role played</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martin Andreae (s)</td>
<td>Political adviser to Jörgen Andersson</td>
<td>Was political adviser to Jörgen Andersson in the Department of the Interior and was instrumental in the writing of the Government Bill which introduced the Regional Pilot Project.</td>
</tr>
<tr>
<td>Jörgen Andersson (s)</td>
<td>Minister of the Interior, 1996-1998</td>
<td>Paved the way politically at central level for the introduction of the Regional Pilot Project.</td>
</tr>
<tr>
<td>Bengt Holgersson (s)</td>
<td>County Council Politician, chair of the Social Democratic Party District and chair the Federation of County Councils</td>
<td>Initiator of the current regionalisation process in Skåne</td>
</tr>
<tr>
<td>Sven Hulterström (s)</td>
<td>Group-leader of Social Democratic MPs and part of various Commissions into the regional level</td>
<td>Together with Lars Nordström and Kent Johansson, he was successful in securing this issue within their political parties.</td>
</tr>
<tr>
<td>Göran Johansson (s)</td>
<td>‘Heavy-weight’ local politician in Gothenburg</td>
<td>He supported the regionalisation process in ‘west’ Sweden thus the municipality was not against the region.</td>
</tr>
<tr>
<td>Kent Johansson (c)</td>
<td>County Council politician later Regional Assembly politician</td>
<td>Together with Lars Nordström and Sven Hulterström, he was successful in securing this issue within their political parties.</td>
</tr>
<tr>
<td>Roger Kaliff (s)</td>
<td>Local politician in the city of Kalmar and member of Sydsam</td>
<td>‘Founding father’ of the Regional Council in Kalmar County together with Stig Davidsson (c).</td>
</tr>
<tr>
<td>Anders Ljunggren (c)</td>
<td>The Centre Party’s representative in the Cabinet Office</td>
<td>The Centre Party’s representative in the Cabinet Office and instrumental together with Martin Andrea in writing the Government Bill which introduced the Regional Pilot Project.</td>
</tr>
<tr>
<td>Lars Nordström (fp)</td>
<td>County Council politician later Regional Assembly politician</td>
<td>Together with Kent Johansson and Sven Hulterström, he was successful in securing this issue within their political parties.</td>
</tr>
</tbody>
</table>
During the second round of fieldwork I presented this list to key persons in the current regionalisation process, and asked what role they had played and if someone was missing. Although some names other than those presented in table 1 surfaced, the vast majority of interviewees agreed that the people on the above list played the key roles.

(Political affiliation: (s) Social Democratic Party; (c) Centre Party; (fp) Liberal Party)
Table 3. Who speaks for the Regional Level in Sweden in Regard to Regional Policy today?

<table>
<thead>
<tr>
<th>Agency</th>
<th>‘Spokesperson’</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Administration Board</td>
<td>Civil servant</td>
</tr>
<tr>
<td>Regional Pilot Project Region</td>
<td>Elected politician</td>
</tr>
<tr>
<td>Regional Development Council</td>
<td>Indirectly elected politician</td>
</tr>
</tbody>
</table>
Table 4. *Who is responsible for what?*

<table>
<thead>
<tr>
<th>Level</th>
<th>Central State</th>
<th>Regional</th>
<th>Municipal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility:</td>
<td>- That all citizens in the county, no matter where one live, is guaranteed an equal standard in regard to certain welfare services such as care and education;</td>
<td>- to draw up regional development programmes and to co-ordinate development measures;</td>
<td>- full responsibility for planning according to the planning and building law;</td>
</tr>
<tr>
<td></td>
<td>- Long-term stable conditions for regional development work.</td>
<td>- decide on priorities with regard to infrastructure measures etc.;</td>
<td>- to participate in the regional development work.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- decide on certain central state funding for regional development;</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- be given and prepare EU structural fund applications;</td>
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<tr>
<td></td>
<td></td>
<td>- follow-up measures and effects of the development work within the county;</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- send a yearly report to the government in respect of measures and their effects.</td>
<td></td>
</tr>
</tbody>
</table>

Source: SVENSKA KOMMUNFÖRBUNDE (2002:3)
Map 1. Political Majority in County Council after 2006 Election

- **Socialist Majority**
- **Non-socialist Majority**
- **Grand Coalition between Liberal Party, Centre Party and Social Democratic Party**