The Europeanisation of Swedish Regional Government

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Abstract

As a result of the financial crisis, globalisation, EU membership, and more ideological debate about the proper role for, and structure of, the state, many changes to the Swedish governance system have been made in recent years. One of the key examples is the arrival of a new regional tier of government, which has been accompanied by a significant change in the role of policy-making mechanics of regional policy. Previously considered to be an ‘hourglass’ (a system with a strong central government and local authorities, but weak regional institutions), Sweden has become a ‘vase’ (with a much stronger role for the regions and a smaller role for both the centre and the localities). Concretely, in 1997 Sweden introduced regional pilot projects where four regions took over certain responsibilities from the County Administration Board (the central state’s agency at regional level) regarding regional policy. In addition, the Swedish Government introduced Regional Growth Agreements in 1998: these changes entailed the establishment of regional governance by partnership. This paper attempts to answer the question what produced this shift to regional partnerships (network governance) at regional level in Sweden: exogenous pressure or an internal desire for reform? The central argument of this paper is that although there were many contributing factors, there is one which stands out as key: the experience of network governance gained by Swedish actors through working in regional partnerships in order to implement EU structural funds. From the bottom-up perspective, such partnerships were seen to be useful ways to circumvent the centre, or at least to work with it on a more equal basis; for national politicians, partnerships had value in creating regional structures which would be necessary to underpin devolution. Thus EU membership has had significant impact on the establishment of network governance in Sweden, at least insofar as regional governance is concerned.
Introduction

The paper examines the changes that have occurred at the regional administrative level in Sweden during the 1990s with the introduction of the Regional Pilot Projects, and subsequently the Regional Co-operation Agencies, and the changes within Swedish regional policy. The paper answers the question how far can these changes be attributed to Europeanisation. The implication of Europeanisation is in this case clearer in the policy change than in the structural change. The question to what degree would the Swedish regional level have changed/reformed itself had Sweden not joined the EU is not easy to answer. Evidence points to that EU membership was one crucial catalyst together with other causes for change. Swedish EU membership was used to strengthen the argument for a stronger regional level. The Europeanisation of Swedish regional policy is clearer to see. Sweden's regional policy's convergence with EU norms has happened at national level in line with what Radaelli (1997) has argued is one of two dimensions of Europeanisation as policy isomorphism, namely the ‘direct’ importation of regional partnerships. Although there was some precedent with local corporatism the Regional Growth Agreements formalised regional partnerships and the institutionalisation of network governance in Sweden. The paper has the following structure: firstly, it examines partnerships as network governance, it then follows on with network governance in Sweden, how the Swedish state has changed from being depicted as an hour-glass into a vase. The paper then explores in more detail the introduction of the Regional Pilot Projects and the changes to Swedish Regional Policy, in its last part it examines if the changes, which have taken place, are in favour of sub-national governance.

This paper draws upon empirical work, which includes a total of 34 semi-structured interviews with a range of key actors such as politicians, civil servants, and people within interest organisations¹ during April-June 2003 and March 2004.

Europeanisation in Sweden - ‘partnership’ as network governance

¹ The Federation for County Councils and the Swedish Association of Local Authorities
Europeanisation and regionalisation are occurring at a time of profound change in the functions and working of the European state. Factors influencing change of structure and re-organisation include the rise of neo-liberal ideology, the advance of markets and deregulation, and the strengthening of civil society in systems formerly dominated by strong states. The classic nation-state was until recently the locus of sovereignty and ultimate authority and the basis for governing institutions. It was the arena for public policy-making. It provided the framework for economic activity and ‘national economies’; the basis of cultural and political identity; a system of representation and legitimisation of decisions; and a forum within which economic competitiveness and social integration could be reconciled. These processes are increasingly divorced as economic change escapes control of states; policy-making retreats into complex networks which do not correspond to formal institutions; and new and rediscovered forms of identity emerge at the sub-national and even the supranational level (Benz et al 2000). As Kooiman argues (1993:1) Public policies, such as regional policy, by definition, are the responsibility of public authorities and aim to satisfy some vision of the ‘public good’. Yet modern governance, not least in the EU, reflects a shift ‘towards a sharing of tasks and responsibilities; towards doing things together instead of doing them alone’.

Keating and Hooghe (2001:242) reminds us that Europeanisation and regionalisation have at least two major characteristics first, they both help disaggregate state functions. Second, and paradoxically they also demonstrate a wish to develop structures which

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2 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 paper, be used in what might be considered a top-down way; in Sweden this refers structural adaptation. This top-down process examines the changes that have occurred within member states at both national and sub-national levels and the researcher’s task is to account for variations in European impact and to explain the varying responses and robustness of domestic institutions against pressures from the European level. However, one has to bear in mind that European-level developments do not dictate specific forms of institutional adaptation but rather leave considerable discretion to domestic actors and institutions. Adaptation thus reflects variations in European pressure as well as domestic motivation for change. A major task is thus to trace challenges to the domestic level back to European-level institutions, policies or events. This brings us to Europeanisation as policy isomorphism as this paper also examines the changes in Swedish regional policy. Radaelli (1997) has suggested that the Europeanisation of policy has two dimensions; ‘direct’ Europeanisation and ‘indirect’ Europeanisation of policy. It is the latter, which is of interest to this paper’s discussion of policy change. ‘Indirect’ Europeanisation as policy isomorphism which relates to areas where member states have, to varying degrees, begun to follow either one another, or the EU model as regards to particular policy choices or regulatory frameworks.

3 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).

4 Kooiman 1993:1 as cited in Peterson 2004:117
allow actors to carry out functions which appear to be becoming unmanageable at nation state level. One of these new political arenas can be found at regional level in Sweden, especially with the introduction of regional partnerships and regional growth agreements\(^5\) in the *new* regional development policy introduced in 1998; these Regional Growth Programmes came into effect in 2000. It is in these regional partnerships where one finds policy networks within sub-national governance in Sweden.

The term ‘network’ is frequently used to describe clusters of different kinds of actor[s] who are linked together in political, social, or economic life (Peterson 2004:117). Policy network analysis starts with three basic assumptions\(^6\), the first assumption being that modern governance is frequently non-hierarchical. Few policy solutions are simply imposed by public authorities. Governance involves mutuality and interdependence between public actors such as the County Administration Board or the Arbetsmarknadsstyrelsen (the Labour Market Board) and non-public regional actors such as the local university, regional chambers of commerce, as well as between different kinds of public actors. The second assumption is that the policy process must be disaggregated to be understood because ‘relationships between groups and government vary between policy areas’ (Rhodes 1997:32). In other words, it makes little sense to talk generally of a ‘strong state’ or ‘corporatist state’ – let alone a strong or weak organisation – because central states and other actors mentioned are much stronger vis-à-vis affected interests in some policy sectors than others. The third and final assumption is that governments remain ultimately responsible for governance; however that is not the whole story. Before polices are ‘set’ by elected political actors, policy choices are shaped and refined in bargaining between a diverse range of actors, including some who are non-governmental, and all of whom have an interest in what policy is chosen. Policy networks can narrow options and shift the agenda by pursuing ‘strategies that generate new political and economic forces’ (Thatcher 1998:406 as cited in Peterson 2004:119). To make a long story short, in relation to the origin of policy networks analysis, according to Peterson (2004:123), international political developments in the decade or more after 1990 – globalisation, devolution (in Europe and elsewhere), and economic liberalisation –

\(^5\) Regional Growth Agreements changed into Regional Growth Programmes in 2004 with the second round of programmes coming into effect.

\(^6\) Although Peterson (2004:119) writes about the supranational level I argue that his assumptions can be brought down to the sub-national level when examining the introduction of regional partnerships in Sweden.
gave rise to new and different forms of governance, in which power was increasingly shared horizontally. One such example is the partnership principle in the EU’s structural funds.

The EU’s regional policy partnerships can be viewed as marking the transformation from traditional forms of European governance defined by either by hierarchal governance or the market governance to a new form of network governance (Thielemann 2000:182). The partnership principle of EU regional policy has led to multi-level networks structures in European policy-making, by formally including supranational and sub-national actors in the decision-making processes. Partnerships have created new opportunities for strategic interaction and coalition building among involved actors; it has also introduced new forms of network governance characterised by transformed state-society relations (Thielemann 2000:184).

A partnership can be described as a ‘cluster or complex of organisations connected to each other by resource dependencies’ (Rhodes and Marsh 1992:13). The central idea behind such policy networks is the interdependent exchange of resources or in other words actors within a partnership seek to achieve their goals and to manage dependencies by exchanging resources – such as authority, money and/or information – with other members within the partnership (Thielemann 2000:185). Thus one can argue that a regional partnership then also can be described as a place of network governance.

Traffic between regional interests and the EU is not one-way. The Commission has itself played an important role in mobilising regional interests, establishing new networks and creating a dialogue among regions, states and itself. The main stimulus has been the EU’s regional policy, now subsumed under the structural funds (Keating and Hooghe 2001:247). The relationship between the Commission, national governments and regional and local authorities is one of partnership and negotiation, rather than being a hierarchical one (Commission 1999:143). This challenges state-centric governance in that European institutions set general rules, regions participate in making decisions, and the three parties are in a relationship of mutual dependency rather than hierarchy. But this partnership has never applied evenly across all phases of decision-making. It has

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7 As cited in Keating and Hooghe 2001:251
traditionally been strongest in the implementation stage of structural programming, but weak in the strategic planning stages (Keating and Hooghe 2001:251). Jeffery (2000:3) points out a very important point, namely that mobilisation and influence are not synonymous. He also shows that the respective roles of sub-national authorities and central governments regarding EU policy have changed primarily as a result of domestic rather than ‘EUropean’ factors. However, the role played by sub-national authorities in implementing EU legislation has endowed them with a new internal clout which has been mobilised in even the more centralised member states to enable them to play a role alongside their central governments in formulating EU policy priorities, especially in the field of structural funding (Jeffery 2000:6).

The 1988 reform of the structural funds heralded the first major change since their creation in 1975. According to Bache (1998:67), there were two important developments which provided the political and economic context for the reform of the structural funds which came into effect on 1 January 1989: the enlargement of the European Community to include Portugal and Spain; and the push towards greater economic and social cohesion given expression in the Single European Act, which in turn led to the creation of the Single European Market. The European Council agreed that allocations to the three structural funds would double in real terms between 1987-1993 so that in 1993 approximately 25 percent of the EU budget would be spent within regional policy.

The operations of the funds would be guided by four complimentary principles: concentration, programming, additionality and partnership. The partnership principle was established to oversee the administration of the funds and would require the formal involvement of sub-national authorities for the first time. The principle of partnerships has formed part of the Commission’s view of regional policy since the 1970s. Subsequent Commission attempts to involve sub-national authorities in consultation for structural

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8 Concentration of the funds on the areas of greatest need as defined by the EU’s agreed ‘Objectives’. Objective 1 promoted the development of ‘less developed regions’ (those with per capita GDP of less than, or close to, 75 percent of the Community average under ‘special circumstances’); Objective 2 converted the regions seriously affected by industrial decline; Objective 3 combated long-term unemployment; Objective 4 assisted the occupation integration of young; Objective 5a accelerated the adjustment of agricultural structures; and 5b promoted the development of rural areas (Bache 1998:71). With the 1995 enlargement a further Objective was added, Objective 6, for developing sparsely populated areas in the Nordic member states.

9 Multi-annual programmes would be the norm for all funding, to ease the Commission’s administrative burden and promote a more coherent approach.

10 Additionality means that the member state should match a certain amount to the funding for the project.
policy-making had received mixed responses. However the Framework Regulation adopted by the Council in 1988 formally defined partnership as: ‘close consultation between the Commission, the member states concerned and the competent authorities designated by the latter at national, regional, local or other level, with each party acting as partner in pursuit of a common goal’ (Regulation [EEC] 2052/88). Partnerships were to be active in the management, presentation, financing, monitoring, and assessment of structural funds operations (Bache 1998:74). The partnership principle was an attempt to make regional policy more effective by formally involving the sub-national actors most familiar with the problems and priorities of targeted regions (Bache 1998:74-75). The partnership principle meant that EC regional policy, for the first time, would be policy not just for the regions, but also by the regions (Nanetti 1996:64). In addition and importantly for the Commission, partnership was ‘one of the more concrete examples of how the principle of subsidiarity can be put effectively into practice’\(^\text{11}\). For these reasons, the partnership principle was the crucial innovation of the 1988 reform of EU structural funds.

Network Governance in Sweden: From Hour-Glass to Vase

The partnership principle introduced in 1988 (and with later changes to it) sought to involve the Commission, national governments, sub-national authorities and economic and social actors in the process of structural policy-making across member states (Bache 1998). This network mode of governance assumes that actors are capable of identifying complementary interests (Thielemann 2000:186).

The idea of working together to find solutions is not a new phenomenon in Sweden; the partnership principle brings to mind associations with corporatism, which has a history in Sweden both at national and local levels. In many Swedish municipalities close cooperation developed between the local authority, trade unions and local business. In essence, the national Swedish model of corporatism appeared to be decentralised from central to local level. This meant that although the national corporatist model declined, a local version developed in many municipalities particularly in those dominated by industry (Olsson 1995 as cited in Bache and Olsson 2001:228). A precedent to the

regional partnerships but with a limited range of actors, addressing ‘local’ issues and not formalised as the regional partnerships are. However, although there already was cooperation at the local level, this was not partnership in the sense of EU’s partnership principle because it did not include a broad range of societal actors but had a corporatist character that implied a limited number of dominant actors (Bache and Olsson 2001:228). Indeed, Gidlund (1993:94) argues that the forces which worked for the new regions were not primarily representatives for political parties but rather corporatist actors where a wide spectrum of private and organised interests represented.  

According to Petersson (2000b:48), a comprehensive summary of the literature shows that the public power in Sweden is relatively centralised and concentrated. The Swedish form of governance resembles that of an hourglass. Thus Sweden can quite rightly be described as both a centralised and as a decentralised country (Gustafsson 1996, Petersson 2000a; 2000b; 2001). Sweden has a strong central tier and local tiers (in Sweden local government consists of two tiers: at municipal level the kommun and at ‘regional’ level landstingskommun – county council) while the regional tier can be described as weak. The allocation of tasks between the state, the county council, and municipalities is a matter of both principle and of practical considerations. It has not been decided once and for all but is rather affected by social developments. The division of labour between the municipal and the county council sectors has so far been based essentially on the principle that tasks requiring a larger population base should be handled by the county council. The Swedish administrative model is characterised by an effort to decentralise public responsibilities, the aim being for activities and necessary decision-making about the responsibilities to be located as much as possible at the local level (Regeringskansliet 1998:9).

Gidlund also poses the question that maybe the new regionalism will lead to that corporatism at national level will decrease in favour for regional corporatism. This seems to be the case with the change in Swedish regional policy where the responsibility for economic growth now lies with a regional agency (either the County Administration Board, the directly elected assembly, or the regional co-operation council depending of regional administration the county has opted for – more about this under the section regional pilot projects) and with the introduction of regional growth programmes and the partnership principle into Swedish regional policy.

The concept of region has traditionally in Sweden been referred to a geographical and physical scale and to a separation of powers among democratically elected bodies at different territorial levels. Consequently, county councils in Sweden have never had any regulatory authority in relation to the municipal level of local government (Jerneck and Gidlund 2001:3).
Regional organisation in Sweden is either an outflow of the state’s exercise of power from the central level\textsuperscript{14} or of the municipal self-government in the form of the county council or inter-municipal co-operation bodies (Regeringen 1996/97:22), these inter-municipal co-operation bodies can be of varying membership sizes depending on the issue areas which municipalities have chosen to co-operate within.

The hourglass model of Swedish governance as described earlier is, however, changing – the waist in the hourglass is expanding and the regional level has become more important in certain aspects. According to Petersson (2001:68) there are five tendencies that have influenced these changes:

1) internationalisation, especially European integration and with that an emerging supranational decision-making level with increasing power;
2) the central state’s power is decreasing in comparative importance
3) EU’s \textit{new regionalism}\textsuperscript{15} where the position of regions is strengthened;
4) Privatisation of formerly public responsibilities e.g. care for children and the elderly;
5) \textit{Kommundelsnämnder}\textsuperscript{16} are creating a new more local organisational level in society.

One reason why the Swedish state has changed was pressure from below. Since the early 1960s the regional ‘question’ has been debated, and the debate has involved two arguments: democracy and efficiency. The democracy argument works out of the

\textsuperscript{14} The main central state agency at the regional level is \textit{län styrelsen} – the County Administration Board.
\textsuperscript{15} 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 and in this case the regionalisation process of the 1960s and 1970s. That process was based mostly on domestic politico-social issues. \textit{New} regionalism in contrast to \textit{old} regionalism is more a question of logical shift in decision-making that is regarded as better exercised at a regional 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.

New regionalism concerns multi-level governance, programming, and partnerships between the region, the nation-state and the EU, and in addition factors such as regional networks over national borders and direct lobbying in Brussels by regional offices. In short the EU’s new regionalism results from the four following factors:
- the globalisation of the economy and the decreased role of the nation state;
- the internal dynamics of the region and work at the international arena mainly through cross-border networking;
- European integration and the influence of supranational regional policy; and
- the development of a regional independent identity (Gren 2002:7).

\textsuperscript{16} A \textit{kommundelsnämnd} is a sub-division of a municipality. For example the municipality of Stockholm is very big with over 700,000 inhabitants this it has been divided into smaller districts such as Bromma Stadsdelsnämnd and Hässelby-Vällingby Stadsdelsnämnd these have taken over the responsibility of childcare and elder care within their district.
principle that more responsibilities and competences should be moved from 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 to muster strength, which could ease the development of different parts of Sweden to become dynamic and competitive regions both within Sweden and internationally. Such a show of strength requires a simplified, rationalised and effective regional public organisation (Regionberedningen 1995:163). During the early 1990s the pressure became so strong that the government decided to introduce regional pilot projects where the elected regional level received greater responsibility and took over responsibilities from the County Administration Board (the central state’s regional agency) – unprecedented in Swedish administrational history.

Regional Pilot Projects

During the 1990s, an administrative revolution happened to the Swedish regional level, namely the introduction of the regional pilot projects in 1997, and later, the introduction of samverkansorgan (regional co-operation council) in 2003. 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 the responsibility of regional economic growth and development. The Inquiry’s report Regional Roles – a perspective study17 presented three alternatives for the regional organisation of society18. The inquiry also examined the

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17 SOU 1992:63 Regionala roller – en perspektiv studie
18 The three alternatives were:
   1) That the central state at regional level still should have the responsibility over regional development issues. A more co-ordinated county administration, which should be expanded to more areas relevant to regional growth, and the County Administration Board’s role as a uniting regional agency, should be strengthened.
   2) Those municipalities in co-operation take over the responsibility for the regional development issues. The county council’s tasks are transferred to the municipalities and later the County Councils would be abolished. The County Administration Board should in principle still have the same tasks, possibly some tasks could have been transferred from the County Administration Board to an agency which was formed by municipalities in co-operation.
   3) To create a new elected regional agency (assembly). This would take over responsibilities both from the County Council and the County Administration Board. The County Councils were to be abolished while the County Administration Board was to be transformed to be the central state supervisory agency at regional level.
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 Regionberedning delivered its report to the Regionutredning, a parliamentary Commission, in 1992. The Parliamentary Commission had as its task to analyse the proposals made by the Regionberedning and from other sources available propose idea(s) on what the public administration’s structure at regional level should look like as well as the regional division in the country. It presented its report Regional Future\(^\text{19}\) which recommended a deepened and unambiguous regional self-governance and suggested that the regional development responsibility should be transferred from the County Administration Board to the County Council, thus actualising the old debate over regionally elected assemblies vs. central state regional administration. As a response to this the government put forward the bill Regional Organisation of Society\(^\text{20}\) in 1996, the Swedish parliament passed the bill Regional Organisation of Society and the regional reform process gained momentum with the introduction of the regional pilot projects on 1 July 1997. In terms of political administrative powers the regional pilot projects were granted new competencies in issue-areas that were formerly the prerogative of the County Administration Boards. The pilot regions assumed the responsibility for regional development and long-term planning, including tourism, the allocation of EU funding, and regional transport infrastructure. In addition, with being answerable for drafting the strategies for the county’s long-term development, the new political body in each pilot region also has the main responsibility for acting as the region’s representative in the dialogue with the state in the regional growth programmes.

The regional pilot projects can be divided into two phases. The first phase, 1 July 1997 – 31 December 2002, of the state-led reform process was from the start marketed as a controlled experiment, or trial, with limited duration and scope (Jerneck and Gidlund 2001).\(^\text{21}\) In temporal terms, the experiment can be depicted as a two-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 regional pilot regions - the

\(^{19}\) SOU 1995:27 Regional Framtid
\(^{20}\) Den regionala samhällsordningen Prop. 1996/97:36
\(^{21}\) The Region of Västra Götaland became part of the regional pilot project on 1 January 1999.
counties of Gotland, Kalmar, Skåne and Västra Götaland, followed by a mid-term evaluation of regional achievement, roughly halfway through the trial period.

A Parliamentary Commission\(^{22}\) carried out the evaluation; in its evaluation\(^{23}\) it stated that the time period that had passed since the introduction of the regional pilot projects was very short and that the changes that were introduced had as a result had little effect. One of PARK’s suggestions, in its recommendations, was that the regional pilot projects should be prolonged until 31 December 2006 and that other counties could join the trial. This initiated the second phase in the regional pilot projects.

**Map 1. Phase 1 Regional Pilot Projects**

As a response to PARK’s recommendations the Swedish government put forward the bill *Regional Co-operation and Regional State Administration*\(^{24}\). This bill proposed that the regional pilot project should end, with the exception of Gotland, which was to continue for another four years until the end of 2006. The regional pilot projects, it was suggested, should be replaced with a *permanent* order which would be appropriate to *all* counties in Sweden, namely a regional co-operation agency (Regeringen 2001/02b:16).

\(^{22}\) Den parlamentariska regionkommittén (PARK)  
\(^{23}\) SOU 2000:85 Regional folkstyre och statlig länsförvaltning  
\(^{24}\) Regional samverkan och statlig länsförvaltning Prop. 2001/02:7
However, after a debate in the Swedish parliament the MPs voted in favour of the Konstitutionsutskottet’s amended version, which resulted in the combination of the regional pilot projects for Skåne and Västra Götaland (marked in orange on map 2); and the introduction of samverkansorgan – regional co-operation agencies (marked as green on map 2).

Map 2. Phase 2: Regional Pilot Projects and Regional Co-operation Councils

This new regional agency is based upon the Kalmar model; indirectly elected politicians make up the regional co-operation agency. However, the regional co-operation agency must consist of all municipalities within a county (and if they so wish the county council). Still, the regional co-operation council can only be created when it fulfils certain criteria set out in law. When created the regional co-operation agency takes over the following tasks from the county administration board:

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25 Committee on the Constitution – 2001/02:KU7 Regional samverkan och statlig länsförvaltning
26 Where (2/3) are appointed from the municipalities and 1/3 from the county council, if they choose to participate. It should be noted that in the 7 regional co-operation agencies which are in operation today all county councils have chosen to participate.
27 Lag (2002:34) om samverkan i länen
- drawing up programmes for the county’s economic development that municipalities and county councils intend to carry through in co-operation with other actors;
- co-ordinating the economic development efforts within the county for carrying through the programme;
- deciding the use of certain state funding for regional development, according to terms dictated by the government;
- prioritising measures in regards to infrastructure etc. when drawing up county plans for regional infrastructure;
- taking over and preparing applications in regards to the EU’s structural funds concerning Objectives 1 and 2;
- following up measures and effects of the development work within the county; and
- providing a yearly report to the government regarding measures and effects.

To summarise, there are at present two regional pilot project regions continuing the experiment at regional level, Skåne and Västra Götaland. There are nine regional co-operation councils, which are new permanent institutions and, one can argue, a product of the regional pilot projects. In counties that neither are regional pilot projects nor have created regional co-operation councils, the central state agency at regional level, the county administration board, has the responsibility over regional policy measures. As demonstrated there is today, in Sweden, a differentiated regional level; different kinds of actors in each region have the same responsibility depending on what type of region it is – regional pilot region, regional co-operation agency or ‘old region’ i.e. where the County Administration Board is still in charge of regional development issues.

Regional Industrial Policy and the Introduction of Regional Partnerships

Parallel with this regionalisation process changes took place within Swedish regional policy, where the sub-national levels gained in importance with the introduction of regional partnerships. Regional policy in Sweden has historically been decided by Stockholm; however, this has changed with the introduction of Regional Growth Programmes. These were introduced in 1997 with the bill Regional Growth – for Employment and Welfare and put the region in the spotlight. The starting point for the

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new regional development policy is the expectation that the economic growth in Sweden can increase through the regionalisation of regional policy (Regeringen 1997/98:1). As shown in chart 1 (and 2) one of the factors which changed people’s view was the increase in unemployment, unemployment rocketed from 2.9 percent in 1990 to 15.7 percent in 1994.

**Chart 1. Unemployment in Sweden 1990-2000**

The overall objective was to utilise the unique features of each region. The Bill was passed through the Riksdag in May 1998; the most significant change involved the introduction of *regional growth programmes*, which were launched in January 2000, modelled on the structural funds model. The aim of the was (and still is) to encourage local collaboration in the development of regional strategies and to improve the co-ordination of state resources at local level; their introduction also reflected the desire for a more decentralised approach and for Swedish regional policy in its wider sense to become more growth orientated and less concerned with alleviating regional problems (Yill and Wishlade 2001:6). The Regional Growth Programmes are giving the regions a possibility
to indicate on what and how central funding should be co-ordinated in order to achieve greater flexibility in how the funds within the regions are used (Regeringen 97/98:3). The Regional Growth Programmes are drawn up in three stages; during the first and second stage an analysis of the region’s strengths and weaknesses is made and a draft programme is put together which include goals and aims of the programme, priorities, how to achieve the goals and co-financing by regional partners. The aim of the Regional Growth Programmes is to improve co-ordination and co-operation between actors that are working in support of economic growth and promoting employment opportunities at local and regional level as well as central level (Regeringen 97/98:196). It is the County Administration Board/self-governing body/regional co-operation council that has the responsibility to: initiate, pursue, and co-ordinate the relevant work together with the regional partnership.

Table 1. Co-ordinating Agency at the Regional Level for the Regional Growth Programmes

<table>
<thead>
<tr>
<th>TYPE OF REGION</th>
<th>CO-ORDINATING AGENCY</th>
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<tbody>
<tr>
<td>Regional Pilot Project Region</td>
<td>Regional Council*</td>
</tr>
<tr>
<td>Regional Co-operation Agency</td>
<td>Regional Co-operation Agency</td>
</tr>
<tr>
<td>Old Region</td>
<td>County Administration Board</td>
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*Both in Skåne and in Västra Götaland there are special Regional Development Committees set up which deal with the Regional Growth Programmes. However, it is the Regional Council that has the ultimate responsibility.

During the third stage negotiations are carried out between the central state actors and other actors about the programme’s final substance and the financing of the programme (Regeringen 97/98:196). However the final say over the Regional Growth Programmes lie with the government, which approves of the programmes (Näringsdepartementet 2002:22).

What actors are involved in the regional partnership? There is no unambiguous definition but a regional partnership refer to a more or less formalised co-operation between public and private actors such as central state authorities and agencies, municipalities, county councils, regional self-governing bodies and regional co-operation agencies, industrial policy actors at both local and regional levels, businesses, trade unions and other organisation/actors that have an interest in regional growth and development such as
universities and community associations (Ansvarskommittén 2002:3). The regional partnership should be viewed as a meeting place or a network for cross-sectoral co-operation (Regeringen 2001/02a:28). This is hoped to ensure that the Regional Growth Programmes have great support at an early stage, as all relevant actors are involved. Partnerships have usually formed themselves both as wide-ranging networks with a broad representation and small partnership. The large partnership can be described as a reference group, which follow the work of the Regional Growth Programme at different levels. The partners meet a few times throughout the year for information and follow-up of the how the programme develops. The small partnership meets more regularly and can almost be described as an executive for the Programme; this executive group consists mostly of key actors at the regional level (Departementsserien 2001:14).

Conclusions – Europeanisation in favour of sub-national governance?

Have the changes, which have occurred at the regional level in Sweden with the introduction of the Regional Pilot Projects and Regional Growth Programmes, been the result of Swedish membership in the European Union? What role did EU membership play in the current regionalisation process? How far can one argue that Europeanisation was a motive in the current regionalisation process within the collection of circumstances that provided the opening for the introduction of the Regional Pilot Projects? After all, Sweden had long needed to take the issue in hand to come up with a solution to the situation at the regional level with regard to the unclear role-sharing between actors at the regional level. In addition, throughout the political system regional levels are varied and there is no obvious publicly elected accountable person to contact at the regional level in Sweden. This led to difficulties of democracy. It also led to organisational difficulties for external (non-Swedish) actors seeking to engage with actors at regional level in Sweden.

<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 Co-operation Council</td>
<td>Indirect elected politician</td>
</tr>
</tbody>
</table>
Put differently, who speaks for the regional level in Sweden, for example in regard to EU structural funds? EU membership focused attention on the need for a publicly elected politician at regional level in order to reflect demands for regional-level democracy but also to facilitate networking between EU and sub-national level actors.

The driving level in the regionalisation process in Sweden has been the regional level. However, nothing really happened until the municipalities joined in the drive for greater responsibilities to be given to the regional level. The local level was for a long time opposed to giving the regional level i.e. the county council more responsibilities. This was because the local authorities believed that their responsibilities would be hollowed out and a ‘super municipality’ created at their expense. However, during the early 1990s the local level changed their attitude towards the introduction of a regional administrative level in Sweden; one reason was that the Swedish Association for Local Authorities changed their attitude. Another reason was through experience i.e. by working together in certain issues. The latter was one of the reasons for Kalmar County wanting to participate in the Regional Pilot Projects. Thus one can draw the conclusion that the local level no longer felt threatened by the introduction of a regional administrative level with greater responsibilities. Why then were the regional pilot projects introduced at the specific juncture of 1997? This was due to a maturing process of people and knowledge leading to the decision of regional (County Council) and local politicians to take more responsibility over the region’s economic growth and development. Furthermore, Sweden was not ready for a regional level until now; there was a realisation that collaboration was needed to solve certain problems which the local level experienced, this in conjunction with the realisation that a regional level in Sweden would not pose a threat to the local level. There was also widespread agreement, at local level that local government could no longer deal with relevant issues for economic growth with any success.

EU membership was thus used as a vehicle to push the regional agenda forward by sub-national actors when arguing they should take responsibility for regional economic growth.

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29 Kommunförbundet - The Swedish Association of Local Authorities represents the interests of all the 290 municipalities in Sweden. The association presides over a comprehensive range of professional skills for safeguarding interests and specialist expertise for all municipal activities. This provides a major pervasive force working on behalf of the collected municipal perspective.
growth and development. EU membership provided not only a new toolbox (i.e. a new set of policy mechanism) within regional policy but also recognition that regional problems can be tackled in different ways. One can therefore draw the conclusion that actors at sub-national levels in Sweden took the opportunity provided by EU membership to put credible pressure on the national level for change - an argument rather than cause for change.

Simultaneously with the regionalisation process there was a decentralisation process taking place within regional policy, which resulted with the introduction of the Regional Growth Programmes. The reason for this was that there was a realisation that within today’s Sweden all three levels are needed within the administrative/service structure of the state.

Figure 1. Regional Level a Logical Solution

To be able to address certain welfare problems today one can argue that the national level is too big; at the same time the local level is too small for some services within the welfare state. Thus changes in attitudes towards a regional level not only happened at the local level but also at the national level. What produces the shift to regional partnerships (network governance) at regional level in Sweden: exogenous pressure or an internal drive for reform? In regards to the introduction of Regional Growth Programmes there are three starting points:

- Landsbördingensppdraget
- Central funding must be co-ordinated in a better way and out from local/regional requirements
- Experience from work with EU’s Structural Funds

30 The County Governor Commission
In September 1996 the County Governors in Sweden were given a task by the government, namely to co-ordinate various measures in the counties to increase economic growth and employment. One reason for this was the government’s goal to halve the open unemployment numbers by 2000. As seen in chart 2 during the Swedish financial crisis unemployment hit some regions harder than others, for example Skåne, Västra Götaland and Norrbotten. These changes are schematically shown in figure 1. Actors at local and national levels were now willing to accept an experiment in regional governance as a logical solution to a pressing set of policy problems. The County Governor’s task was to bring in regional actors; they were to analyse the county’s weaknesses and strengths and deliver suggestions for measures in solving these problems.
in a regional development plan. Another reason for this was to stimulate a public debate about the future of the county.

The County Governors Commission, one could argue, was the forerunner to the Regional Growth Programmes. During the mid- to late 1990s there was a paradigm change within the government and this is clearly visible in the government bill 2001/2002 A Policy for Regional Growth and Vitality throughout the Country\textsuperscript{31} - the nation grows from below by economic growth in all parts of Sweden and no longer from the centre as earlier was previously believed.\textsuperscript{32} The \textit{old} regional policy was successful in transferring welfare but not in creating growth. The central state actors realised that a dialogue between all actors involved in regional policy measures and that pooling of resources was needed; in other words, better co-ordination of funding that the regions already received. Did public funding cancel out or support regional measures?

The Regional Growth Programmes modelled itself on the EU’s Structural Funds e.g. its programme idea (goals, priorities, measures and financing) and methodology, especially with its programme thinking – 3-year plans are produced, so there is now a longer perspective in regional development policy in Sweden. However, the most important introduction was the \textit{regional partnership}. The Regional Growth Programmes and the change to regional development policy have resulted in the institutionalisation of network governance. With the Regional Growth Programmes a new way of thinking was introduced – long term planning, and with that a learning process, and a new \textit{institution} namely the regional partnership. The Regional Growth Programmes brought far more actors into the process than previously was the case. A further innovation with the Regional Growth Agreements is that regional actors are doing things in a new way. This is a case of Europeanisation as a process of Policy Isomorphism, because the EU provided the model as regards to particular policy choices or regulatory frameworks through the Structural Fund’s programme and methodology.

Have the sub-national networks become more empowered? In comparing the regional partnership in relation to the central state in an attempt to analyse the power relations

\textsuperscript{31} En politik för tillväxt och livskraft i hela landet 2001/2002:4
\textsuperscript{32} The terminology regional policy (\textit{regionalphotik}) is no longer used in Sweden the new terminology is regional development policy (\textit{region utvecklingspolitik}).
one might draw the conclusion that the Swedish government has accepted to sacrifice a degree of its power in order to foster economic growth and development. This has indeed happened to some degree with the introduction of the Regional Growth Programmes and the institutionalisation of regional partnerships. However, there was no new money released with the creation of the Regional Growth Programmes; money from the small regional policy\textsuperscript{33} was (is) to be used as a lubricant when designing the Regional Growth Programmes.

Some of the new institutions at the regional level which have taken over responsibility from the County Administration Board in regard to the Regional Growth Programmes do not have full control over the funding; this is one reason why not more counties have transformed themselves into Regional Co-operation Councils. In other words, the centre had a strong efficiency rationale for the regionalisation process. It sought to change structure in order to solve a problem without increasing financial costs.

<table>
<thead>
<tr>
<th>REGIONAL INSTITUTION</th>
<th>AMOUNT OF FUNDING RESPONSIBLE FOR</th>
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<tbody>
<tr>
<td>Regional Pilot Project Region</td>
<td>100%</td>
</tr>
<tr>
<td>Regional Co-operation Council – Kalmar and Gotland (old Regional Pilot Regions)</td>
<td>100%</td>
</tr>
<tr>
<td>Regional Co-operation Council (all other)</td>
<td>40% (with exception of Dalarna)</td>
</tr>
</tbody>
</table>

What does this mean for Europeanisation? The implication of Europeanisation is in this case clearer in the policy change than in the structural change. The question to what degree would the Swedish regional level have changed/reformed itself had Sweden not joined the EU is not easy to answer. Evidence points to that EU membership was one crucial catalyst together with other causes for change. However, although EU membership was a major influence, it was not the only one for in conjunction with the financial crisis Sweden experienced at the beginning of the 1990s and of the combination of the right people in the right places at the right time within the state administration.

\textsuperscript{33} Small regional policy falls under heading Budget Area 19 Regional Development in the national budget in comparison to the large regional policy. The large regional policy involves areas such as transport, employment and education, which have regional affects.
Swedish EU membership was used to strengthen the argument for a stronger regional level:

- EU membership put focus on the issue;
- EU was used a vehicle to push the agenda forward;
- EU was used strategically as an argument for change.

The Europeanisation of Swedish regional policy is clearer to see. Sweden’s regional policy’s convergence with EU norms has happened at national level in line with what Radaelli (1997) has argued is one of two dimensions of Europeanisation as policy isomorphism, namely the ‘direct’ importation of regional partnerships. Although there was some precedent with local corporatism the Regional Growth Agreements formalised regional partnerships and the institutionalisation of network governance in Sweden.
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