Regionalisation in Sweden

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Abstract

This paper examines the recent regionalisation process in Sweden; the paper also includes a summary of the Committee on Public Sector Responsibilities recommendations with regards to a new regional map of Sweden.

Keywords:

Regionalisation, Decentralisation, Regional Pilot Project, Sweden
Introduction

This paper will examine the regionalisation process in Sweden since the 1960s. It has been divided into 4 parts; the introduction is setting the context of Swedish regionalisation in order to get a better understanding of the situation leading to the introduction of the Regional Pilot Project in 1997. The Regional Pilot Project and the changes to the regional administrative level are discussed in the second part of the paper. The Regional Pilot Project, one could argue, led to the introduction of the Regional Development Councils. In the same government Bill, which introduced the Regional Development Councils, the government suggested that a review of the public administration in Sweden should be initiated. In 2003 a Parliamentary Committee was set up – the Committee of Public Sector Responsibilities – the Committee presented its findings in February 2007. The key findings related to the current regionalisation process are presented in the penultimate part. In the conclusion we put forward a potential new regional map in Sweden by 2010 with 10-14 new regions.

In order to understand what has taken place to-date and the possible future of the region, one needs to put the regional level in Sweden into context. According to Petersson (2005) a comprehensive summary shows that public power is relatively centralised and concentrated. One could argue that the Swedish form of governance resembles that of an hourglass – Sweden can quite rightly be described as both a centralised country (bearing in mind the strong central government) and as a decentralised country (with the important role played by municipalities within the welfare state). With regards to the regional level in Sweden
there is a dual system. This leads us to briefly examine the local government. Constitutionally Sweden has two levels, the central level and the local level. The local government consists of two tiers: the municipal level (kommun) and at the regional level the county council (landsting). Thus, Swedish municipalities and county councils stand, legally speaking, on an equal footing – the formal status of a county council is similar to that of municipalities, even though its geographical extension normally surmounts municipal territories – the island of Gotland being the exception. The division of labour between the municipal and the county councils sectors has so far been based essentially on the principle that the tasks requiring a larger population should be handled by the county councils, i.e. health and medical services. However, when examining the tasks carried out by municipalities and county councils one has to bear in mind the Swedish geography and the differences in size between municipalities as well as county councils (as illustrated in the table below).

Table 1 Size and Number of Municipalities and County Councils in Sweden

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>Number</th>
<th>County Council*</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;10,000</td>
<td>63</td>
<td>&lt;200,000</td>
<td>4</td>
</tr>
<tr>
<td>10,000-24,999</td>
<td>127</td>
<td>200,000-299,999</td>
<td>11</td>
</tr>
<tr>
<td>25,000-49,999</td>
<td>55</td>
<td>300,000-399,999</td>
<td>2</td>
</tr>
<tr>
<td>50,000-99,999</td>
<td>32</td>
<td>400,000-1,099,999</td>
<td>1</td>
</tr>
<tr>
<td>100,000-499,999</td>
<td>12</td>
<td>1,100,000-1,499,999</td>
<td>1</td>
</tr>
<tr>
<td>500,000&gt;</td>
<td>1</td>
<td>1,500,000&gt;</td>
<td>2</td>
</tr>
<tr>
<td>Sweden (total)</td>
<td>290</td>
<td>Sweden (total)</td>
<td>21</td>
</tr>
</tbody>
</table>

*Note that the County Council numbers include Gotland.

Source: SCB 2007

One could place the Swedish regionalisation process under the heading of modernising the welfare state. Modern welfare systems without the role that municipalities and county councils play would be quite unthinkable – this is illustrated by the tasks that Swedish municipalities and county councils carry out – for legal and equitable reasons the quality of services are not permitted to vary too much within the Swedish welfare state. Of late the principal line has been, in a faster and faster pace, to move tasks from central to local level. Parallel with this there has been a trend in splitting responsibility between levels – so in order to better achieve good use of resources within the public sector, the idea of co-usage has become widespread – this means that the central state, municipalities and county

3 The Swedish County Council’s territorial area corresponds to the central state’s regional division – län – county.
councils co-operate within areas which before were only taken care of, by one responsible authority (Halvarson et al 2003:151 – for a discussion on Sweden’s regional mess see Stegmann McCallion 2008).

It was in the early 1960s that a debate over the regional level administration took off and when the real change started to take place. An example was the partial re-organisation in 1971 of the County Administration Board. A board of laymen was introduced and the Board was chaired by the County Governor. Up until the 1970s the changes, which took place, had resulted in the strengthening of the regional planning and the co-ordination agencies. The non-socialist governments (1976-1982) were pushing for the county councils to be given greater influence in county planning. This was seen as part of their decentralisation and the democratisation of the administration and the result was that the county council and not the central government came to elect the persons on the County Administration Board (Halvarson et al 2003:136-138).

Leading up to the Regional Pilot Project

The debate over the regional level picked up again 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. This was the result pressures from the regional level. The focal point of the inquiry was the need for the co-ordination of responsibility or the regional economic growth and development. The inquiry’s report Regional Roles – a perspective study presented three alternatives for the regional administration. The alternatives presented were:

- The County Administrative Board, the central state’s representative at regional level, should have the responsibility for regional development issues. A more co-ordinated county administration that should be expanded to include more relevant policy areas to regional economic growth, should be established, and the County Administrative Board’s role as a uniting regional agency, should be strengthened;

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

- To create a new elected regional assembly which would take over the 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’s supervisory agency at regional level.
However, any actual suggestion for a new regional map of Sweden was never presented.

The one-man Commission of Inquiry delivered its report to a Parliamentary Commission on Regional Administration in 1992. This parliamentary Commission had, as its task, to analyse the proposals made by the Commission, and from these proposals and other sources available propose idea(s) on both what the public administration’s structure at regional level should look like as well as a (new) regional division of the country. The Commission on Regional Administration saw all three alternatives as realistic. However, the Commission 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 it is so sparsely populated (Halvarson et al 2003:123). The parliamentary Commission presented its report Regional Future⁴ and recommended a deepened and unambiguous regional self-governance. The Commission also 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 versus central state administration.⁵

**Regional Pilot Project**

In the autumn of 1996 the Swedish government put forward a bill called *Den regionala samhällsordningen* – the Regional Organisation of Society⁶. This was a response to the Parliamentary Commission’s report Regional Future. As stated in the introduction the development of the society and the welfare state have successively increased the importance of the local level within the Swedish form of governance. The central government was of the opinion that the Regional Pilot Project (RPP) would give greater democratic anchorage for regional development. Especially as both the County Administration Board and the County Governor often have been described as civil servants who do not have democratic legitimacy to represent the County – the argument is that it should be a political assembly that should have this role (Statskontoret 1998:9). With the introduction of the Regional Pilot Project some of the County Administration Board’s responsibilities were transferred to a *regionförbund* (regional council) or a *regionfullmäktige* (regional assembly), both of which were elected bodies (consisting of either directly elected politicians, i.e. Skåne and Västra Götaland, or indirect elected politicians since the 1960s about democracy versus efficiency. Supporters of the democracy argument believe that competences should be transferred from civil servants employed by central state agencies, like the County Administration Board, to elected institutions. Whereas supporters of the efficiency argument believe that there is a need for a *mustering of strength* which could ease the development in different parts of Sweden and would enable them to become more dynamic and competitive regions. The efficiency argument is that such a mustering of strength needs a simplified, rationalised and effective regional public organisation (Regionberedningen 1995:163).

⁴ SOU 1995: 27 Regional Framtid
⁵ There has been a debate since the 1960s about democracy versus efficiency. Supporters of the democracy argument believe that competences should be transferred from civil servants employed by central state agencies, like the County Administration Board, to elected institutions. Whereas supporters of the efficiency argument believe that there is a need for a *mustering of strength* which could ease the development in different parts of Sweden and would enable them to become more dynamic and competitive regions. The efficiency argument is that such a mustering of strength needs a simplified, rationalised and effective regional public organisation (Regionberedningen 1995:163).
⁶ Proposition 1996/97:36 Den regionala samhällsordningen
politicians, i.e. Kalmar County or Gotland 7). The Swedish parliament – the *Riksdag* – passed the bill and the regional reform process gained momentum with the introduction of the Regional Pilot Project on 1 July 1997.

In terms of political administrative powers the Regional Pilot Project was granted new competencies in issue-areas which were formerly the prerogative of the County Administration Board. The Pilot Regions assumed responsibility for regional development and long-term planning, including tourism, the allocation of EU funding, and the regional transport infrastructure. In addition to being answerable for drafting the strategies for the county’s (region’s) long-term development, the new political body in each pilot region also had the main responsibility for action as the region’s representative in the dialogue with the central state in the Regional Growth Agreements 8.

**Regional Assemblies**

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 1st November 1998, the region of Västra Götaland 9 has been represented by members elected directly in a regional assembly. The regional board, in Västra Götaland, is the guiding and executive institution. The activities are run by committees – there are for example committees on health and medical services, culture, and environment. Responsibility under the heading *regional development* focuses on industrial development, communication, education, international issues, tourism, culture and environment (PARK 2000:63-64). The Region of Skåne was also formed by merging counties, in this case Kristianstad and Malmöhus, and the health services of the City of Malmö. The regional pilot project in Skåne began by giving the responsibility for new tasks to a Regional Council – the Regional Association of Skåne – with Skåne’s municipalities and county council as members. The regional association was replaced on 1st January 1999 by a regional assembly which was directly elected in the 1998 elections. The regional board is the self-governing institution’s guiding and executive body. To the regional board are connected four committees such as regional development issues (PARK 2000:59-60).

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7 The island of Gotland was the exception as it was the municipality which constituted the Pilot Region and thus was the recipient of the tasks transferred from the County Administration Board. The reason for this was that Gotland’s municipal council also had been in charge of tasks which in other counties in Sweden are the responsibility of the county council.

8 The Regional Growth Agreements, later Regional Growth Programmes, were debated and decided upon in the Swedish parliament on the 12th December 2001 (thus the old regional policy and its sub-area of regional industrial policy merged).

9 The Region of Västra Götaland became part of the regional pilot project on 1st January 1999.
In contrast to Västra Götaland and Skåne the regional institution in Kalmar County is indirectly elected. The Regional Council of Kalmar County has thirteen members – the twelve municipalities in the county and the county council – the members elect the regional board. An agreement has been reached between the political parties within the county which have allowed smaller parties onto the board. The tasks of the Regional Council, apart from what they legally were bound to carry out were tasks which were chosen according to members’ opinions and preferences – included here are the responsibility or regional cultural activities and the distribution of funding; to act for post-upper secondary education, and research and development which are co-ordinated and adapted to the needs of the region. The Regional Council also has the responsibility for regional industrial policy, included in this is the co-ordination of the use of certain regional policy funding which was a responsibility that was transferred from the County Administration Board (PARK 2000:65-66).

One can divide the Regional Pilot Project into three phases (Stegmann McCallion 2008). The first phase can be described as a central state-led reform process which took place between 1st July 1997 – 31st December 2002. Jerneck and Gidlund (nd.) have described this part of the Regional Pilot Project as a controlled experiment, or trial, with limited duration and scope. Thus, the first phase was the actual initiation of a five-year process with 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), roughly halfway through the first phase. It was the result of the evaluation by PARK that initiated the second phase in the regional pilot project, with the introduction of the Regional Development Councils. The third phase started with the publication of the recommendation for the future of the regional level by the Committee on Public Sector Responsibilities in February 2007, the second phase of the Regional Pilot Project and regionalisation in Sweden generally will be discussed in the next part of the paper.

**Regional Development Councils**

As a response to PARK’s evaluation and recommendations the Swedish government put forward the bill *Regional samverkan och statlig länsförvaltning*¹⁰ – Regional Co-operation and Regional Central State Administration. PARK has in its evaluation suggested that the time period should be prolonged to the end of 2006 for the four pilot regions. The government expressed their opinion in the bill and wanted the trial period for the four regions to end as already decided at the end of 2002. After a proposal from the parliament’s Standing Committee on the Constitution, as well as a debate in the Parliament, it was decided that the regions of Skåne and Västra Götaland would continue with the trial.

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¹⁰ Prop. 2001/02:7 Regional Samverkan och statlig länsförvaltning
An alternative to the Regional Assemblies were introduced in the bill ‘Regional Co-operation and Regional Central State Administration’, this alternative meant that all municipalities and county councils in Sweden could participate in a new form of regional co-operation in connection with the national regional industrial policy and the regional growth programmes. The reason for this was that regional development neither is purely local level responsibility nor the responsibility of the central state – the central state and local levels must co-operate from a democratic perspective anchored in each respective level of the administrative system (i.e. national/central, county/regional and local levels). Thus the regional level has to be given a place within the co-operative arena between the state and the municipalities, the county councils, business and organisations (Regeringen 2001/02). What the Swedish government proposed was the introduction of a kommунförbund (municipal association), or using another name, Samverkansorgan. Thus, the Regional Development Council consists of municipalities within a county and if they so wish the County Council. The parliament voted on the bill on 17th January 2002 and the MPs approved the amended proposition of the Standing Committee on the Constitution and the prolongment of the Regional Pilot Project for Västra Götaland and Skåne. The result of this was that the Regions of Skåne and Västra Götaland were to continue as Regional Pilot Project Regions until the end of 2006\(^\text{11}\) and the counties of Kalmar and Gotland were to transform into Regional Development Councils on 1st January 2003.

The law Lag (2002:34) om samverkansorgan i länern – which enabled the creation of Regional Development Councils – came into effect on 1st July 2002. However, it was not until 1 January 2003 that tasks which the Regional Development Councils were responsible for were transferred to them. The Regional Development Council is based upon the Kalmar Model (Jerneck and Sjölin 2000:27; Ehn 2001) from the first phase of the Regional Pilot Project –that is to say indirectly elected politicians. It should be noted that in the 13 Regional Development Councils to-date, the County Council has opted to be a member. Although the Regional Development Council is based on the Kalmar Model there are some crucial differences between the Regional Development Council and the Regional Pilot Project regions:

- Regional Development Councils will not be responsible for more than a fraction of the funding for regional development compared to the Regional Pilot Project regions and there is a difference between the Regional Development Councils;

- When Regional Development Councils are formed the County Council can opt not to participate, whilst; for the Regional Pilot Project the County Councils had no option but to participate;

\(^{11}\) The trial period for Skåne and Västra Götaland was extended in 2004 until 2010 (Regeringen 2004/05).
- To form a Regional Development Council the municipalities in a county are required to be united in the process whereas, the Regional Pilot Project process was carried by political parties (Svenska Kommunförbundet 2004).

Thus, when referring to the Swedish form of governance as an hourglass, the Regional Development Councils are part of the waist, and with the conditions that all municipalities within a county have to participate the central government, one could argue, has introduced a Catch 22 situation. This Catch 22 situation may not cause the waist to expand too much – or it may even decrease – especially as it only takes one municipality within a county to block the formation of a Regional Development Council, or alternatively, one municipality to withdraw its support which would force the Regional Development Council to fold.

When a Regional Development Council has been created the following tasks are transferred from the County Administration Board:

- Drawing up programmes for the county’s economic development that both municipalities and county councils intend to carry through in co-operation with other actors;
- Co-ordinating the economic development efforts within the county to carry them through the programme;
- Deciding to use certain sources of central state funding for regional development (according to terms dictated by the government);
- Prioritising measures with regards to infrastructure etc. when drawing up county plans for regional infrastructure;
- taking over and preparing applications for funding from the EU 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.
Thus to summarise the second phase of the Regional Pilot Project in Sweden, there are at present (January 2008) two Regional Pilot Regions continuing the experiment at regional level, namely Skåne and Västra Götaland. There are 14 Regional Development Councils, which are new institutions at a regional level and, one could argue, a product of the Regional Pilot Project. In counties which are neither a Regional Pilot Project Region nor a Regional Development Council it is the County Administration Board that has the responsibility over regional industrial policy measures and funds. As demonstrated currently in Sweden one can see a differentiated regional level; different kinds of actors in each region, having the same responsibility depending on what type of region it is, i.e. ‘old region’, Regional Development Council, or Regional Assembly, thus actually adding to the regional mess.

Although it is highly unlikely that the powers transferred to these two regions will be retracted by the central government one has to await the outcome of the consultation process, as well as future recommendations, based upon the Committee’s of Public Sector Responsibilities.
The Committee of Public Sector Responsibilities

Questions regarding the division of tasks between national, regional and local levels have been examined by a parliamentary committee which was appointed by the Government in 2003, namely the Committee on Public Sector Responsibilities (Ansvarskommittén\textsuperscript{13}). The committee presented its findings and proposals for the future of the responsibility for growth and development in the pilot regions Västra Götaland and Skåne and also for other parts of Sweden on the 27\textsuperscript{th} of February 2007.

The Committee of Public Sector Responsibilities examined and analysed the following:

\textit{The mandate of local government}

- What tasks should be the responsibility of the local level;
- Should the local government be divided between one or two directly elected levels;
- Could local governmental co-operation be an effective alternative; and
- Could a differentiation of tasks and structure exist between different municipalities and county councils?

\textit{The structure and division of responsibilities for health and medical care}

The Committee discussed how the structure and division of responsibilities between the state, the county councils, and municipalities affect the conditions for governing health and medical care.

\textit{Regional development and the regional system of public administration}

The Committee examined how the responsibilities of tasks related to regional development are divided between the state and the local government level (i.e. municipalities and county councils). Their findings include both advantages and disadvantages of a directly or an indirectly elected regional level holding responsibility for regional development issues.

\textit{Central government of public administration}

The Government’s control of governmental agencies can be unclear and the co-ordination between the different (policy) sectors and agencies are often less than perfect. The Committee suggested that a comprehensive

\textsuperscript{13} The Committee of Public Sector Responsibilities home page
http://www.sou.gov.se/ansvar/index.htm
review should be undertaken in order to ‘enable the organisation and working methods to adapt to the demands that will be placed on the future system of public administration’ (Committee of Public Sector Responsibilities 2007:10). The Committee also suggested that the review should include an examination of Sweden’s experiences of EU membership.

In their findings the Committee of Public Sector Responsibilities identified six principles for the division of responsibilities among the different levels in order to elucidate the issue:

- democracy and legitimacy;
- financing;
- legal security;
- equivalence;
- economic use of resources and efficiency; and
- the lowest effective level.

A key issue which the Committee explored in-depth was the sectorisation of policy and its related problems. The regional level is, compared to the national and local level, the weak level, or the thin waist, in the Swedish hour-glass system. As previously mentioned the regional level can be described as a mess of actors with overlapping responsibilities which has led to confusion with regards to responsibility and accountability. The Committee had, as one of its aims, to clean up the regional mess and it suggested that County Councils should be replaced with a directly elected regional assembly which has a mandate in health and medical care as well as a regional development.

Health and medical care would still be the main task for the new directly elected regional level (drawing upon the positive experiences of Skåne and Västra Götaland). The central government would still set the standard of health care as it is in Sweden and for the Swedish population it is very important that these stay the same in the whole country. One of the key findings of the Committee was that knowledge management should be strengthened through:

- Knowledge management;
- A regional knowledge centre in each region; and
- A clearer responsibility for the government for national follow-up and evaluation.

In the case of regional development the main task for the regions would be to produce the regional development programme, but also to be responsible for local and regional public transportation, to decide a county (regional) plan for infrastructure as well as regional culture activities.
With regards to the local government sector, the Committee of Public Sector Responsibilities noticed that the smaller municipalities manage their commitments due to the distribution of tax resources. In a longer term perspective this could be a problem for the smallest municipalities which can lead to a reform in the structure of the municipalities i.e. municipality mergers (this has already been discussed in the Swedish daily press – for example Anderberg in Dagens Nyheter 30 September 2007).

With regards to the regional level the Committee suggested that Sweden should re-draw its regional map however it did not provide a new regional map, what the Committee did do was to draw up certain criteria that the new regions need to fulfil (if they were to be accepted), namely that:

- The region needs a population between one and two million (however half a million can be accepted as an exception);
- every region should have its own regional hospital (a university hospital);
- every region should have at least one university;
- that the region corresponds with local labour market areas as predicted in 2030; and that
- there should be some kind of identification for the citizen with the new regions.

The Committee however does not forecast how many regions, which the creation of a new regional map, can lead to. However, there is a timeframe that the reform should be up and running in time for the 2010 election for most of the country, and if needed in some regions for the 2014 election.

**Conclusions**

There is an insight that a strong regional level is needed, or a wider, fuller waist, to keep with the hour-glass image. Social development shows that a regional approach is necessary in an increasing number of areas, for example as local labour market areas grow and peoples’ range of action expands. It is also important to be able to participate strongly in the growing co-operation with other regions in Europe. This requires a regional level with an unambiguous representation, a clear mandate as well as financial resources.

As regards to future challenges, one prominent characteristic is the ongoing globalisation of the economy, which touches our daily life and

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14 For more information in English please see SKL (2005), 2006 figures are only available in Swedish (SKL 2006).

15 For an English summary please see Committee on Public Sector Responsibilities 2007.
affects our future at all three levels; national, regional and local. It has over time become clearer to politicians and people that all three levels are needed in Sweden today in order to sustain the Swedish model of welfare state.

Today it is clear that there will be a regional re-writing of the map from 2010. However, it is more difficult though to predict how many regions there will be. It could be anything between 6-14 regions. If the number is 6-7 then Sweden may see the hazard of the formation of some kind of semi-governmental regions which may transform the regionalisation process into a re-centralisation process. Sweden is still very much a centralised country and if just a small number of regions followed the regional reform process then a reform in the structure of the municipalities (i.e. a merger process of municipalities) one can perhaps see a process of centralisation instead of a regionalisation process. It is hoped that this political question is resolved within the next two years. A Sweden with about 14 regions – which is a big reform in itself – leads to a new question about the roles for the government and the regional level, and the discussion will continue about who should be responsible for what. This in turn may lead to further regionalisation (decentralisation) of various policy areas (for example environmental policy). Thus our belief is that Sweden could model itself upon the current UK asymmetrical system – i.e. a flexible and fluid solution – with fewer regions (around 10-14 but no fewer than 7) which could be different in size as well as the different regions having different tasks.
References


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