East is east and West is West: Municipal co-operation and regional networks around the Gotha Canal

Geoffrey Gooch
The publishers will keep this document on-line on the Internet (or its possible replacement network in the future) for a period of 25 years from the date of publication barring exceptional circumstances as described separately.

The on-line availability of the document implies a permanent permission for anyone to read, to print out single copies and to use it unchanged for any non-commercial research and educational purpose. Subsequent transfers of copyright cannot revoke this permission. All other uses of the document are conditional on the consent of the copyright owner. The publication also includes production of a number of copies on paper archived in Swedish university libraries and by the copyright holder/s. The publisher has taken technical and administrative measures to assure that the on-line version will be permanently accessible and unchanged at least until the expiration of the publication period.

For additional information about the Linköping University Electronic Press and its procedures for publication and for assurance of document integrity, please refer to its WWW home page: http://www.ep.liu.se
EAST IS EAST AND WEST IS WEST: MUNICIPAL CO-OPERATION 
AND REGIONAL NETWORKS AROUND THE GOTA CANAL

Geoffrey D. Gooch, PhD
Jean Monnet Professor in European Political Integration

2000-12-21
1. Introduction

The Swedish National Encyclopaedia states that the Gotha Canal Company in Motala has been called Sweden’s longest property. The Canal winds its way between Sjötorp in the county of Västergötland and Mem in Östergötland. The Canal has 58 locks and 6000 pleasure craft pass along its water every year as well as 15 passenger vessels from 8 shipping companies. What cannot be read in the Encyclopaedia, however, is that the Canal flows through seven different municipalities; Mariestad, Töreboda and Karlsborg to the west of Lake Vättern and Motala, Linköping, Norrköping and Söderköping to the east of the lake. Nowadays the Canal Company is completely focused on tourism and pleasure boats, and the exploitation of the Canal’s full potential for regional development and tourism is therefore of considerable interest for all seven municipalities. The development of the canal as a tourist attraction has however previously been handicapped by a lack of co-ordination of different initiatives between the municipalities. This is not a problem that has been specific for the Gotha Canal, rather it is a general problem that has limited the development of the tourist industry in the region and in Sweden as a whole.

In this report, the results of a research project that examines municipal relations around the Gotha Canal are presented together with a discussion of the factors influencing political and administrative co-operation in general. The report begins with an analysis of the structural factors influencing regional co-operation in Europe and Sweden, and continues with an examination of the ways that actors in the Canal municipalities perceive these structural hinders. In order to achieve this the project has examined inter-municipal co-operation in parts of the Swedish counties of Västergötland and Östergötland. Two central aspects have been examined. The first is the political co-operation between the municipalities, and the second is the administrative co-operation. It should be noted that the municipalities’ co-operation around the Gotha Canal cannot be seen as an isolated phenomenon, and that it must be seen in a wider context – that of a relatively recent and general trend towards regional co-operation in the area. In a report of this size it is not possible to describe all details of the different types of co-operation that now exist between the municipalities. Neither has it been the aim of this project to provide a detailed documentation of the various stages in the development of the co-operation around the Gotha Canal up to today. The ambition has been instead to attempt to uncover the factors that are conductive or detrimental to regional development and inter-municipal co-operation both in the specific case of the Canal, and in general. It should also be remembered that regional development in Sweden is an area that is in a process of rapid transition and that in some ways it has only just begun. New developments are taking place all the time, and it is impossible to predict how and where these developments will lead.

The study was based primarily on semi-structured interviews with fifteen senior council politicians and civil servants in the municipalities of Mariestad, Töreboda, Karlsborg, Motala, Linköping, Norrköping and Söderköping, as well as with officials in the county of Östergötland. These were analysed together with municipal and county documents. Each interview lasted approximately 40 to 50 minutes. Five of the interviewees were woman and 10 were men and they are referred to in this report only as interviewees. The interviews were recorded and then transcribed into computer files. The transcribed interviews were qualitatively analysed and key concepts and issues identified. These concepts and issues, and the discourses around them, form the central empirical material on which this paper is based. The analysis of the 15 interviews conducted in the course of this project was
supplemented by analyses of 41 other interviews with municipal politicians and administrators conducted in previous research projects.

It is hoped that this report will be of use to two main groups; first, municipal politicians and civil servants; secondly, members of the business community. The isolation of these two groups from each other has become less marked during the last decade, and attitudes of the groups to each other have changed considerably. There is now a significant need for them to gain a better understanding of the conditions that determine each others spheres of activity, and it is hoped that this report will be able to contribute something to that understanding.

2. Multi-level Governance

Traditionally, there have been three levels of government and public administration in most European countries. The relative importance of these different levels has, however, varied considerably between countries and over time. The first level is the central, national level. The strength of the central government is dependent on a number of factors among which tradition, the election system, and the country’s constitution are the most important. The second level is the regional level. The importance of this level differs between countries. There are notable differences between, for example, the power of the German Länder and the power of the new devolved country governments of the UK. The third level is the local level. Again, a country’s constitution and tradition combine to create varying degrees of autonomy for local government in the different member states of the EU. The Kommun, or municipalities, of Sweden have, for example, the right to collect income tax from their inhabitants, and to determine how funds are utilised within a reasonably loose framework laid down by the central government. Municipalities in the UK, on the other hand, lost much of their autonomy during the 1970s and 1980s, and despite the political rhetoric of New Labour, still have to gain much of this back.

With the development of the EU since the 1950’s, however, a fourth layer of governance has been added to these original three. Individual nation-states have given up parts of their sovereignty to a new economic and political actor – the European Union. The rationale for this process is at the core of the paradox of political power in Europe today. In order to gain political influence in a European context, some national political power must first be relinquished. Some scholars claim that the globalisation of the political and economic systems has led to the erosion of the power of national governments and created a more multi-level pattern of institutional arrangements. In order to regain some of that power, according to this argument, national governments have pooled some of their political resources in the institutions of the European Communities, and through these institutions, regained some of the political power that they had lost. However, while the creation of the EU has provided national governments with a new political platform, it has also created a new layer of governance that has provided sub-central authorities with channels of influence that enable them to by-pass central government. Local authorities in France, Italy, and Spain can work together to develop regional interests. Swedish municipalities co-operate with local authorities in Latvia and Estonia and help them to prepare for EU membership. Projects of this kind are often part-financed by the EU, which encourages co-operation between sub-central governmental agencies. During the last decades of the 20th century, political power in Europe has thus shifted in two directions; from the nation state to the European Union and from the central political level to the regional and local levels. The reasons for the first of these developments can be sought mainly in the economic problems that have assailed many European countries during the late 1980’s and 1990’s. The reason for the second trend can be sought in the perceived difficulties created by diminished political participation in many modern democracies. The first of these shifts will not be discussed in detail here. The second shift is associated with decentralisation. The loss of political legitimacy that numerous European political parties have experienced, together with popular opposition to many of the national and European policies formulated during this period, have led European political elites to reconsider the ways that political decisions are taken at different geographical levels. The problems faced by the welfare state in many European countries have also contributed to the move to decentralisation. The opposition to the
ratification of the Mastrich Treaty in Denmark and France shocked European political leaders, and increased the move to subsidiarity, the taking of political decisions at the lowest most feasible societal level, as near to citizens as possible. Subsidiarity has now become a popular political slogan. Together with decentralisation, there has also occurred a trend towards the devolution of central political power to sub-central governmental levels in many European countries (SOU 1998, p.69). These developments are based on a widespread belief that regional and local political and administrative units are more efficient and democratic than central bureaucracies are, and that they will lead to increased political participation. It is believed that many issues that directly affect citizens can be best managed at regional and local levels, and that cuts in spending on issues such as welfare can also be best implemented at these levels.

In recognition of these historical transformations, Marks and his colleagues (Marks, Scharpf et al. 1996, 343-346) identify two contending theories of governance in the European Union. One is that of state-centric government through which nations pool sovereignty in international organisations, as well as devolving power downwards to regional and local authorities when it suits them. The overall direction of policy, they contend for this interpretation of integration, is that of national government’s political needs. Typically, state-centric government relies upon unanimous voting for key policy issues in the EU. This ensures that means that no Member State needs to be committed beyond what it is willing to tolerate. The core claim of the state-centric model, they summarise, is that ‘policy-making in the EU is determined primarily by state executives constrained by political interests nested within autonomous state arenas that connect sub-national groups to European affairs’ (ibid., 345).

The second theory offered by Marks et al. (Marks, Scharpf et al. 1996, 346-350) is multi-level governance. Here the state is not autonomous: decision making is explicitly shared by actors, and not monopolised by state executives. Super-national EU institutions such as the European Commission and the European Court of Justice, have power in their collective right. Decision-making typically becomes more multi-level when decisions are taken by qualified majority voting in the Council of Ministers. Crucially, this inevitably involves some loss of autonomy by national executives. Thus, multi-level governance is interconnected, not nested, and integration takes place through a huge variety of organisational and policy structures. In so doing, state-level ministers agree to share power, and to delegate authority to multi-level structures, thus shielding themselves from the political fall out of unpopular EU wide policies (e.g. the Common Agricultural, and Fisheries Policies).

3. Multi-level Governance in Sweden

In Sweden there are three political and administrative levels - the central government level, the county or regional authorities level, and the local authorities level. These can all be considered normative or administrative regions as opposed to functional regions (Hallin and Malmberg 1996). The concept of a region is notoriously difficult to define, but in Sweden the counties together with the primary and secondary municipalities are considered the most important examples of administrative regions, these are often called normative regions (Hallin and Malmberg 1996; Malmström 1998). Functional regions are regions in which goods, investments and labour move freely between the different parts. These often consist of a town or city and its hinterland (Hallin and Malmberg 1996). There are also historic regions with a common identity, history and/or language, which may stretch over more than one country (Malmström 1998). All of these three administrative levels are represented in Sweden by directly elected political institutions and each have the right to finance their activities through taxes and fees.

Central authorities have traditionally been strong in Sweden and have used a number of tools to steer and regulate regional and local activities. The first of these are the classic tools of administration - budgets, regulations and directives. The second set of tools utilises strategies to develop methods and competence. By this is meant that central government tries to influence regional authorities through educational programmes, seminars, and by encouraging regional authorities to seek the advice of central groups of experts. The third form of influence is through various forms of evaluation and
judgement that can be used to steer sub-central government in a specific direction (Ramfelt 1997).

The regional level is composed of 23 counties (län), complemented by experiments with four larger regional administrative units in the west and south of the country, and on the Baltic Sea island of Gotland. At this county level there are two forms of regional government. A County Governor (landshövding) and a County Administrative Board (länsstyrelse) represent the national administration in each of these Swedish counties. The county governors were originally the extended arm of the king and still represent central government in the regions. The other form of regional government is the County Council (landsting). The inhabitants elect this assembly every fourth year on the same day as the elections to the national parliament and the county council in turn elects the members of the county administrative board. The county councils are mainly responsible for health care, including hospital services, and for some kinds of education and vocational training. They are also involved in promoting culture, providing public transport and in stimulating regional development. The county councils are also entitled to impose an income tax. There are between 60,000 and 1.7 million inhabitants in each of these administrative areas. The county councils co-operate at the national level through the Federation of County Councils (Landstingsförbundet).

By the 1950’s Swedish regional administration in the form of County Councils and County Administrative Boards was starting to be considered ineffective and factional (SOU 1998, p.30). Although it was not considered feasible at that time to initiate the major restructuring that was considered necessary, it was felt that increased co-ordination would be a possible way ahead (SOU 1998). During the 1960’s an important issue for debate was the ways in which regional organisations could be designed that would combine efficiency with increased public participation (SOU 1998, p.30). The County Reform of 1971 attempted to pave the way for the creation of strong municipalities and a clear regional representation in governmental issues. It was felt that a strong regional administrative level would lead to greater possibilities for co-operation between municipalities and that it would be cost-effective (SOU 1998, p.30).

Swedish administrative organisation at the county or regional level is the result of a combination of two different schools of thought. The first, the top-down model, supports the idea of sectored functional management. A system of departments, each with its’ own specified role, creates local and regional branches or divisions. Supporters of this system point to the advantages gained through specialisation and efficiency, and stress the possibilities for direct control at the local level. The alternative model, the bottom-up model, is based upon the creation of a regionally based authority that manages a number of different issues within a specific geographic area, a region. Supporters of this model stress the advantages that can be gained through an organisation with a comprehensive understanding of the region. In this way a region can be seen either as an aim, or as a way to achieve an aim. We can therefore talk about ‘top-down regionalism’ and ‘bottom-up’ regionalism. The first set of theories sees the state as an actor that attempts to create a region for its own purposes while the second set of theories emphasises the role of smaller administrative and/or geographical units that strive to combine to utilise common advantages (Jones and Keating 1995). A region can be thus be seen either as an aim, or as a way to achieve an aim. We can talk about ‘top-down regionalism’ and ‘bottom-up’ regionalism. The first set of theories sees the state as an actor that attempts to create a region for its own purposes. The second set of theories emphasise the role of smaller administrative and/or geographical units that strive to combine to utilise common advantages (Jones and Keating 1995). During the 1990’s the bottom-up model has gained most support in Sweden (SOU 1998, p.31). New forms of regional co-operation have been initiated. The regions of Skåne, Västra Götaland and Gotland have been formed on a governmental initiative, and on a voluntary basis the region of East Sweden (Ostra Götaland). In the regions of Skåne and Västra Götaland there are directly elected regional councils while Kalmar has a regional association.

Up until 1952 there were about 2000 municipalities (kommuns) in Sweden, each with an elected assembly. Many of them were too small to function effectively and by 1971 the number had been reduced to 850. In 1995 there were 288 and now this number has increased to 289. Despite the drastic reductions in the number of municipalities and the increase of size of these units many municipalities
still have difficulties managing the burgeoning number of tasks given to them by the central political and administrative authorities. The municipalities provide a wide range of services and facilities and have the right to collect income taxes and revenues on real estate. Municipal taxes are however regulated by central government. The municipalities provide public services and appear independent to a degree which, when compared with other countries, appears extensive. They are however also bound by law and regulations to provide a number of basic services and the extent of these services has been increased during recent years without equivalent increases of funding.

The decrease in the number of municipalities lead to a significant reduction in the number of municipal politicians, especially those who were not employed on a full-time basis, while at the same time the number of administrators and civil servants increased significantly (Gustafsson 1999, p.292). During the 1990’s about 15000 designated political tasks (uppdrag) disappeared in Swedish municipalities, yet the number of full-time and part-time salaried politicians who worked in the municipalities increased by at least 40%. The redistribution of responsibility from democratically chosen politicians to professional administrators and professional politicians has of course had important repercussions on both administrative efficiency and on the potential for public influence on political strategies and policies. These have not been only positive. The recent report of the Government Committee on Democracy (Demokratiutredningen) presented in February 2000 pointed out that there is a risk in Sweden that governance by a small political elite is replacing democratic government, even at local and regional levels. Despite the drastic reductions in the number of municipalities and the increase of size of these units many municipalities have still had difficulties managing the burgeoning number of tasks given to them by the central political and administrative authorities. In order to meet the demands made upon them different forms of inter-municipal cooperation have been developed.

4. Decentralisation and Regionalism

As in many European countries, one of the most important trends in Swedish regional and local administration during the last decades has been decentralisation (SOU 1998, p.96). Decentralisation usually creates positive connotations in Sweden and is seen to be synonymous with increased political participation, possibilities to influence decision-making, local autonomy, effective organisations and democracy. It is seen as a realignment of power from large central institutions to institutions at a lower administrative level. This recent interest in decentralisation has often been connected with regionalism. Important decisions concerning market and industrial issues as well as regional planning have been delegated from the central to the regional levels. It would also seem that the central state has now adopted a more indirect role at the regional level than the more direct role that has been a tradition in the Nordic states (Ramfelt 1997). Nordic regional policy has changed from it’s earlier centrally-steered model to a model in which regions can to a larger and larger extent formulate their own goals within certain frameworks. At the same time they are left to manage more and more on their own resources. In this respect it should be remembered that the Nordic regions differ from most other regions in the EU as they are sparsely populated (Mönnesland 1997).

This new-found regional independence has led to an increased sense of self-confidence, especially in regions with good economic development. In the Nordic countries regional support from the central authorities has decreased, and in some countries such as Denmark, it has been replaced by the support provided by the EU (Mönnesland 1997). Local politicians seek to increase their control over regional politics. Experiments with regional administrations in Sweden have also led to improved forms of cooperation, and they have provided an impetus for other counties and regions who have not themselves taken part in these experiments (SOU 2000). The EU’s regional initiatives have also stimulated cooperation between local authorities, as the geographic regions created to administer the EU’s regional support often do not coincide with existing municipal boundaries. This often creates the incentive for new forms of co-operation (Wrede 2000). The Swedish PARK committee that evaluated the regional experiments in Sweden also concluded that EU funding has led to new forms of co-operation, and suggests that this has been a part of a conscious effort to initiate unorthodox forms of co-operation.
In Sweden, a number of factors have influenced this renewed interest in regions. After 1945, Sweden successfully built up its economy and developed a far-reaching welfare state. The number of people employed by the state increased as well as the percentage of GNP appropriated by the government. By the beginning of the 1970’s Sweden was the fourth wealthiest country in the world according to GNP. Seven years later the country had slipped down to 18th place and economic growth during the 1980’s was comparatively poor. Although Sweden’s economy has recovered to a large extent since then, there is still an acute awareness that economic growth needs to be actively encouraged. The downturn in Sweden’s economy has therefore forced politicians to analyse the conditions that encourage or discourage long-term economic growth. The regional initiatives of the European Union have also contributed to a renewed interest in regions. The system for allocating regional aid was revised at the Agenda 2000 summit in Berlin in March 1999, and a total budget of 213 billion EURO was set for the years 2000-2006. The EU’s ‘Four Freedoms’, i.e., the free movement of goods, services, investments and labour are also believed by some to have contributed to a decline in the importance of national boundaries as far as trade is concerned (Hallin and Malmberg 1996). A number of researchers also expect regional economies to play an increased role in the future (Krugman 1996, p.17).

The main ambition of regional policy in Sweden, according to official goals, of is to create sustainable development, justice, and freedom of choice among living conditions in different parts of the country (SOU 1997, p.188). The most important aim is however to unify regions so that these can contribute to Sweden’s development. According to the Government sustainable development should be achieved through the utilisation of existing resources in the different regions. Equity also plays an important part in the Government’s aims; regional policy should help to create an even distribution of welfare throughout the country, inhabitants should enjoy similar living standards, and regional policy should help inhabitants to live and work in different parts of the country (SOU 1997, p.188). In order to achieve these aims it is felt that municipalities and County Councils should co-operate in organised ways. This is considered to be especially important in decision-making processes and when conflicts arise between different municipalities. In 1996 Sweden’s County Governors (landshövdingar) were given the task of developing plans for co-operation within their counties with the aim of increasing economic growth and employment. The so-called ‘growth-agreements’ are primarily concerned with the ways in which trade and industry can be developed within the counties and how state funding should be distributed to various projects. Among other things money is channelled into the development of business initiatives, the establishment of new businesses, networks of students and researchers that can help to develop new knowledge-based industries, regional ‘invention-workshops’, ways to improve co-operation between the various official actors who distribute state funding to the labour market, etc. Ways to strengthen the companies that work internationally and to lock foreign companies to the regions are also supported, as are the development of ‘clusters’ of companies with specific competencies. The Department of Trade and Industry will later use these ‘agreements’ to formulate national aims and goals for development. The county of Östergötland presented its plan to Mr. Rosengren, the Minister of Trade and Industry in Linköping on February 15, 2000. According to the Minister, the plan was one of the best three in Sweden, although he did comment on the lack of co-ordination between and exploitation of environmental, technological and developmental issues. Twelve organisations in the County have supported the formulation of the plan, including employer and employee organisations. The plan consists of strategies for improving the potential for trade and industry, stimulating the development of small and middle sized industries and the creation of industrial clusters, improving IT infrastructure and raising educational levels. The agreement will be implemented between 2000 and 2002 and will cost about 3400 million EURO a year. The county will finance this initiative by utilising existing tax incomes.
The Swedish government's proposition (Proposition 1997/98:62) on regional development created a number of interesting new possibilities for Swedish regions. These include regional development agreements that can be entered into by municipalities in a county, between municipalities in nearby counties, and even by municipalities in different parts of the country. These forms of co-operation provide new opportunities for the municipalities to create projects that concentrate on similar problems or on shared ideas (Government 1999).

In all these experiments the regions have taken over some of the functions of the County Administrative Boards. A parliamentary committee, the PARK committee, has been set up to evaluate these regional experiments. The Committee has admitted that to date these regional experiments have failed to capture the public's interest and support and that much energy has been spent on the major issue of health care at the expense of other aspects such as regional development. Despite this it is expected that these experiments will continue for some time, and that they will result in more flexible systems of rules and regulations and clearer roles for the actors. The PARK committee’s secretary, Jörgen Johansson, recently described the changes now taking place as a dramatic shift of power, from centrally steered state to differentiated state, from authorities to networks and partnerships (Johansson 1999).

5. Municipal co-operation

In a recent governmental report, three alternative scenarios for future inter-municipal and regional co-operation in Sweden were described (Johansson 1999). The first of these was that central government could concentrate regional tasks within the County Administrative Board (Länsstyrelse). This would lead to a stronger position for these authorities in their role as the central governments representatives at the regional level. The second was that the municipalities would co-operate more, and take responsibility for much of the public services in a region. The County Council (Landsting) would disappear and the municipalities take responsibility for new tasks in health services, communications, regional cultural policies etc. Municipal Associations would be created to manage general issues, and their representatives would be elected indirectly by the municipal boards. The third alternative involves self-governing regional authorities chosen through direct elections which would take over responsibility for public services and which would be able to collect taxes (Johansson 1999). Interviews conducted with leading civil servants and politicians in 1998 in the west of Sweden, as well as those conducted in this project, show that many municipalities see co-operation with other local authorities as a possible way of solving future problems, especially within areas such as health care (Bengtsson and Brorström 1999). In another recent study politicians and civil servants also expressed interest in co-operation with both other local authorities (Söderberg 2000).

Municipal co-operation can take thus place in many different ways, through discussion groups and co-operation agreements to companies owned by more than one municipality and municipal associations (Hilborn and Karlsson 1994). The number of municipal associations has increased in Sweden during the 1990’s and by the beginning of 2000 there were 60 of them. The areas covered by these associations ranged from rescue services (20), high school education, water and waste services and health services (Hilborn and Riberdahl 2000). The most usual form of agreement involves one municipality buying services from another, and in this case the councils enter a formal agreement with each other (Hilborn and Riberdahl 2000). The main factors affecting municipal co-operation are, according to Lundqvist resource mobilisation, resource utilisation and resource sustainability (Lundqvist 1998). Resource mobilisation discourages co-operation as municipalities compete for local industrial development etc. resource utilisation provides a strong incentive for co-operation, and resource sustainability can both encourage and discourage co-operation.

An important form of regional co-operation in Sweden is the Municipal Association (kommunförbund). This is a legal authority that can be created by a County Council and a number of municipalities, or only by a number of municipalities. Through this arrangement parts of the
municipalities’ activities are managed through this authority, which has the legal power to make decisions concerning the members activities. At present there are about 40 such authorities that manage, for example, water, schools, and local transport. Another relatively new alternative for co-operation between County Council and municipalities is the creation of a Common Board (gemensam nämnd). Such a Board can be created to manage, for example, a hospital that is financed by two different County Councils. Another form is when County Council and municipalities create an association that works with specific parts of their co-operation. These associations do not have the same legal status as the Municipal Association and therefore do not have the right to take the same kind of binding decisions. On the other hand the state can participate in these associations, which it cannot do in a Municipal Association. Yet another alternative is when a number of heads of administrative units create a parliamentary group. These groups have no formal rights, and are often called discussion structures. They are however popular when future regional development is debated (SOU 1998, p.60). In a Municipal Association decisions can be taken by a majority of the members. In practice, unanimity is considered desirable in most of these forms of inter-municipal co-operation.

The number of projects in which Swedish municipalities co-operate is steadily increasing but it is difficult to determine the exact number. In 1998 the Swedish Association of Local Authorities (Kommunförbundet) conducted a survey and received information concerning 210 existing projects involving organised municipal co-operation. The actual number was most probably far higher. Of these projects 65 dealt with business, industry and tourism; 60 with ‘general’ issues; 45 with communications; 30 with education; and 10 with the labour market (Johansson 1999). There are also at least 150 registered companies (Co.) with more than one municipality as owner (Johansson 1999). At least 145 co-operative projects existed at the local level, 65 at the county level, 50 that included municipalities in more than one county and 15 that included municipalities in more than one country. In the spring of 2000 The Swedish Association of Local Authorities knew of 720 projects (Wrede 2000). The sharp rise in the number of co-operative projects is interesting to note against the background that the municipalities often compete with each other in their efforts to attract the business community. Formal co-operation around trade and industry is also less widespread that agreements concerned with technical issues (Pierre 1994), and technical issues seem to facilitate co-operation more than issues concerned with personal integrity and security (landsting 1998, p.14). The main reason for this growth of interest in inter-municipal co-operation has been the economic crisis of the 1990’s (Stiftelsen Trygghetfonden, 1998) although difficulties in providing satisfactory service and unclear divisions of responsibility, especially in health care, are also believed to provide impetus (SOU 2000). Many representatives for local authorities believe that new forms of co-operation will continue to be developed (Bengtsson and Brorström 1999) and that the economic demands placed on the authorities will continue to provide a strong incentive for the councils to work together. Improved economic conditions, on the other hand, may lead to a decrease in co-operation (landsting 1998). Co-operation may also be a way for the local authorities to keep competent employees (Wrede 2000). It is also likely that once local authorities have successfully worked together once, they will be likely to prepared to do so again (landsting 1998). Personal factors are also important, and the ways that actors work within the existing structures. There is reason to believe, for example, that individual actors play a major role, and that the personality and leadership of key actors is important (landsting 1998, p.12).

One of the recent initiatives among the eastern canal municipalities is ÖSTSAM (East Sweden). ÖSTSAM has had the ambition to develop co-operation between municipalities in Östergötland, and to develop the region and regional identity. In 1996, as a major part of their efforts to co-ordinate regional development, all the political parties in the county’s municipalities, together with politicians in the county council in the county of Östergötland decided on a voluntary basis to create ÖSTSAM. It is hoped that ÖSTSAM will also be able to function as a legitimate representative for the region. At the same time as ÖSTSAM was created, the old Municipal Association (Östergötlands Kommunförbund) was dissolved. The areas in which ÖSTSAM aims to be most active are traffic and transport, IT, marketing, trade, industry and tourism, education, environment and health, culture, international co-operation and research and development. The administrative costs for Östsam were in 1999 about 10 million SEK. Individual projects concerned with specific issues demanded extra financing. The western canal municipalities have already developed co-operation to market the canal
as a tourist attraction. They are also involved in the larger experiment within the new region of West Sweden.

Inter-municipal co-operation is not, however, without its problems (SOU 2000). It takes time to develop projects, and much energy seems to have been spent up to now simply on organising health care. Earlier research has also shown that perceptions of a region are often interspersed with many different mental maps and beliefs about the nature and type of problems that are most acute. These mental maps consist of different values, beliefs about the best operating procedures, and attitudes to problem solving. New forms of co-operation that transverse established boundaries may lead to new conflicts and new boundaries (Johansson 1999). Different political and administrative traditions also play a major role. Each county (and municipality) has a different history of political conflicts, preferred form of organisation, and standard decision-making procedures (Johansson 1999, p. 81) and conflicts between these can make co-operation difficult. Individual and groups of actors can also hinder co-operation if they adopt negative attitudes to co-operation (landsting 1998). In this respect it is important that the administration holds the same values as the political leaders, and that it is clear who makes the ‘rules’ (Blondel 1995, pp.307-310).

6. Factors influencing municipal co-operation

In the following sections the main factors influencing municipal co-operation, according to the politicians and civil servants interviewed in this project, are presented. The topics represent a selection of the main issues discussed during over twelve hours of discussions.

6.1. Multi-level governance?

Multi-level governance has been presented as a way of explaining recent developments in Europe and Sweden. How important are then the different levels of governance described in earlier sections of this report? Has the central state level lost its importance? Which role does the central state level play in co-operation between the municipalities? All of the seven municipalities are involved in regional experiments. The local authorities to the west are a part of West Sweden and those to the east are members of Östsam. One of the interviewees pointed out that the municipalities had gained considerable freedom during recent decades, and that the state had steered in much more detail earlier. Another claimed that the central state level was extremely important, as it was there that laws and regulations were formulated. These influence both individuals and business. On the other hand another felt that international trade played at least as important a role, and that in many issues the central state role played a very small role. One interviewee stated that the state played

‘No role. Except that I can see that when the State cleaned up its own economy it pushed the costs onto the municipalities. This means that we are now one of a number of councils that still have problems and are still trying to balance income and outcome. In that way the State has played a role, but only really in a negative way. The State hasn’t tried to get municipalities and regions to work together in a positive way.’

As the arm of the central state, the County Administrative Board (Länsstyrelse) was rarely seen as an ally in regional development. In fact, as the County Administrative Board was perceived as unable to provide funding for regional development and some of the interviewees felt that the municipalities could just as well take responsibility for that themselves. The role of the County Administrative Board has also changed in two ways. First, the decrease of specific stately rules and regulations means that the traditional role of the authority, that of the long arm of the government, has been reduced. Also, the process through which central government has moved responsibility from general authorities such as the County Administrative Board to authorities with responsibility for specific sectors has also weakened them.
One interviewee stated that

‘Now that the state has withdrawn more and more from the local level the municipalities been forced to co-operate and its become natural to work together on a regional basis. In some ways the central state has created a vacuum, and the individual municipalities couldn’t manage many issues. So the question was, who should take responsibility? Three actors stepped forward, and they came into conflict with each other’.

According to another these actors were the Municipal Association, which wasn’t expected to involve itself in regional questions, the County Council (Landssting) and the County Administrative Board (Länsstyrelsen). The lack of clear lines of responsibility between these three encouraged the development of regional co-operation between the municipalities.

Analyses of interviews with municipal politicians and civil servants conducted in earlier projects also show that the role of central government is often perceived as diminishing.

6.2. Size

One of the issues that appear to be important when examining the possibilities of co-operation between municipalities is the relative size of the potential partners. This aspect is important, as it is likely that municipalities that are of about the same size will find it easier to establish successful contacts. Experience from Finnish municipalities has suggested that the existence of small local authorities faced with many different tasks is likely to co-operation (Ståhlberg 1999, p.15). Lundqvist has proposed that co-operation is most feasible between actors with ‘similar, parallel or contrary interests, where each actor perceives the others as possessing, controlling or using resources crucial to his or her own goal achievement’ (Lundqvist 1998, p.94). If one of the municipalities has access to greater resources in the form of funding, competence, access to information, etc. then the co-operation may become one-sided, and the larger partner may be able to dictate the conditions for the co-operation. In the case of co-operation between a small and a large municipality this potential problem can be tackled through legal agreements (Gustafsson 1999, p.292). However, it may be difficult to come to an agreement on the relative percentages of ownership in, for example, companies owned by more than one municipality (Lundin 1999).

The seven municipalities around the Gotha Canal differ considerably in size, and the size of the municipalities was an issue often brought up during the interviews. Linköping is by far the largest with a population of 132500 at the time of this study. Norrköping had 122212 inhabitants, Motala 42181, Mariestad 23949, Söderköping 13968, Töreboda 9626 and Karlsborg 7198. According to the Swedish Association of Local Authorities Linköping and Norrköping were classed as larger cities, Mariestad and Motala and medium-sized cities, Töreboda as a rural municipality and Karlsborg and Söderköping as ‘other small municipalities’.

One of the consequences of size seems to be that in a smaller council the top political leaders are forced to deal with issues that in a larger organisation would be managed by lower members of staff. This makes it more difficult for the top politicians to focus on issues of long-term policy and vision. On the other hand the smaller council has shorter lines of communication and decision-making, and strategies can be easier to implement without the complicated lines of command to be found in the two largest councils.

The relative size of the municipalities seems to play an important role in defining co-operation. In the west, Gothenburg has been designated the new administrative regional centre, but as this city lies far from the three canal municipalities, and is so much larger than them, it is not seen as a potential partner. Geographic distance between the potential partners also seems to be an important factor in the east. In a recent survey of municipal politicians in the county of Östergötland it was shown that most of the politicians only considered co-operation with other nearby municipalities to be feasible (Hallström 1999). It seems that difficulties in co-operation are instead more likely to occur when two
councils compete as regional centre. The smaller municipalities say that ‘we don’t have anything... we know that they’re big and we have to manage that...its worse for those municipalities that want to compete...then there are more problems’. This has also traditionally been the problem in the east, although the two largest municipalities, Linköping and Norrköping, now appear to be the two councils that find it easiest to co-operate. As one interviewee remarked, ‘the step between the smallest municipalities and Linköping and Norrköping is too far.’ However, according to another, if Linköping continues to grow then the relative balance of power between Linköping and Norrköping may be disrupted to the extent that co-operation becomes difficult. The size and economic strength of the two regional ‘giants’ in a county with 11 small councils also led earlier to a lack of interest in co-operation on the part of the 2 dominant councils was also noted.

One interviewee noted that Linköping and Norrköping were ‘about the same size, with about the same volume in their economies’ and that they could organise themselves in about the same way, even if they didn’t always do so. Even if the two major cities didn’t look the same, they could invest about the same amount of money in projects. On the other hand, it may be that the two largest councils have, as one interviewee expressed it ‘tied themselves in a knot’. The four councils in Östergötland can be divided into two groups when it comes to attitudes to the canal. For Linköping and Norrköping the canal does not seem to really be a central issue. The canal runs about 10 km. from Linköpings centre, and although it is important for Norsholm, a small settlement in the municipality of Norrköping, it does not really play a major role in that city either. For the two much smaller cities of Motala and Söderköping, however, the canal plays an important role, as it runs through the centres of both cities and constitutes an important tourist attraction for them.

It would seem that the two largest municipalities in the east form a group of their own followed by Motala, which attempts as well as it can to keep up with the initiatives of the two regional ‘giants’. As an old industrial centre, seen by some as the home of the Swedish machine-tool industry (Gooch and Castensson 1991), the council in Motala believes that Motala can contribute to industrial regional development. The predominance of the two largest councils may however also have stimulated co-operation between the other, smaller municipalities.

6.3. Municipal politics

It was expected that an important aspect determining co-operation between local authorities would be the political landscape of the municipalities. It was thought that it would be unlikely, though not impossible, that a Conservative and a Social Democratic council would co-operate. This turned out to be incorrect. According to many of the interviewees, political ideology was not likely to be a hinder for co-operation. At the time of this study, the chairman of the municipal board in Töreboda belonged to the Centre Party, the second largest political party in the council after the Social Democrats. In Karlsborg the chairman belonged to the Social Democrats, as in Mariestad, Motala, Linköping and Norrköping, while in Söderköping the Chairman belonged to the Conservative (Moderaterna) party.

The reason for this lack of political conflict may be that as the various forms of co-operation are voluntary, the different partners aimed for consensus, not conflict. This is of course also an aspect of Swedish political culture in general. It was however pointed out that co-operation is often concerned with strategic issues for the region, and not conflictual issues such as taxes. There seems to be

‘a bigger difference between political discourse and reality. Whatever you believe about regional parliaments or so on disappears when you’re faced with a real problem such as a threat to a small factory. If Anderson’s factory is in danger it doesn’t really matter what you think about those big issues, it’s a case of saving the factory, and there’re probably aren’t so many differences between the way that Conservatives and Social Democrats try to manage this’.

However, although the interviewees didn’t seem to place any great importance on party politics when it came to co-operation in practical issues, they did stress the importance of personality. As one interviewee pointed out
‘Its more on a personal level, and the issue at stake. In Sweden we’re pretty good at rising above political opinions when it’s a matter of basic problems. If you look at the way that we run municipal politics then it’s only in the big issues that we don’t agree. When it comes to many practical problems we definitely agree on how to manage them...that’s why personality has such importance’.

6.4. Municipal administration

As can be seen from the previous section, according to most of the interviews party politics is not a problem when it comes to municipal co-operation in practical issues. How then do the different municipalities’ administrations affect co-operation? What is the role of the municipal civil servants? First, it should be noted that it is often difficult to make clear distinctions between the political and administrative spheres of responsibility in the municipalities. The policy-making process and implementation are strongly intertwined (Hill 1997, p.98) and a number of actors are present in the processes who can influence almost any part of the processes (Lundquist 1992, p.13). It is also important to take into account the administrations dependency on outside factors, and the aims of the street-level bureaucrats (Lundquist 1992, p.138). According to this way of looking at the policy process policy is the result of an on-going process that can be discovered first in the implementing stages (Hill 1997, p.148). In modern municipalities, the administration has power, power that comes from the knowledge that it possesses concerning the nature of the work, awareness of the difficulties that exist, and the comparative advantages of information compared with politicians (Rothstein 1997, p.11). If the administration also has control over the indicators, methods of evaluation and translation of information, and if the administration at the same time formulates the evaluation of a process then it has considerable possibilities to steer the ways in which the results are understood (Lundquist 1992, p.95-100). One way of analysing administrations is through culture. When considering the administrative cultures of the potential partners it is important to examine the dominant institutions for policy-making and implementation. Is the dominant model top-down or bottom-up (Blondel 1995, p.311)? Is it possible to distinguish a rational or incremental model (Hill 1997)? What are the standard operating procedures, which are the established ways of making and implementing decisions? As Hill has noted ‘the policy-making process will be influenced by constitutions, rules, political structures and standard operating procedures’ (Hill 1997, p.123). Is the municipal administration geared towards conflict or co-operation? A municipality can be ‘consensus seeking’ or ‘imposing’ in its relations with other municipalities (Hill 1997, p.125). Other factors to consider are the ways in which the municipalities have tried to adapt to new economic demands – how market orientated have they become, and have profit incentives and decentralisation become key aspects as in many local governmental structures (Budge 1997, p.285)? How dependent is the municipality on outside factors? According to Pierre a municipality’s dependency on the outside world determines its room for strategic action and therefore the demands that it can make on other municipalities in any negotiations (Pierre 1994, p.51).

It is also important to note that the ways in which municipalities co-operate is the result of a considerable number of factors. These factors include political and administrative traditions, resources, and levels of competence. There are also near relationships between the norms of political systems and the ways in which these political systems organise administrative structures (Blondel 1995). Administrations can also be considered hierarchical and or non-hierarchical. A traditional way of looking at an administration is as a hierarchical, technically competent organisation that is able to rationally solve problems. This view is based on Max Weber’s (1864-1920) view that an effective, efficient, and predictable administration was a prerequisite for functional public service (Held 1987, p.221). The Swedish administrative culture of today with its emphasis on service to citizens is however in many ways unique (Wernestrom and Hoog 1996). These norms are a part of the political and administrative culture of a municipality, and while culture may be difficult to measure precisely, it is still apparent that different municipalities each have specific ways of making political decisions and implementing them (Petersson 1995). When two different political and administrative cultures attempt to work together the importance of formal and informal institutions becomes acute. Bureaucratic
norms can differ radically between different municipalities, even within the same county. Size also seems to be an important factor once again. A small municipality has fewer civil servants and decision-making involves less actors. It should also be remembered that there is a significant difference between strategies formulated by business organisations and by public administrations. The most important of these is that public administrations are steered by politicians who are subject to re-election every four years. Public strategies can therefore change after an election if new political leaders come to power (Ramfelt 1997).

How then do these factors influence co-operation according to the interviewees? According to one interviewee,

‘It depends on the people who work, on politicians and their networks, as well as on the leading group of politicians and civil servants in the municipality. It all depends on how you see yourself’

In has been claimed that the way that decisions are taken is dependent on administrative culture, in other words

‘It’s so important to gain support for your ideas, you have to always understand that you can’t just do something, do what you want, but that you have to gain widespread support from the politicians and civil servants, and in fact the whole organisation’.

Local authorities of about the same size seem to find it easiest to work together. As another interviewee noted

‘I think that in small or medium-sized municipalities, that aren’t that big, lines of decision-making aren’t that long, they aren’t so big and complicated. When you meet the big municipalities, on the other hand, you see that they’ve got an enormous apparatus to work through and that its takes such a long time. At the same time, they have completely different resources to work with… they can concentrate much more and develop their specialities, not like us. We have to fix both this and that and you feel, well insufficient lots of the time’.

The speed with which decisions can be taken in a smaller municipality is an issue that was referred to by many of the interviewees. The support and co-operation of the administration is also vital. It was stated that

‘If our civil servants don’t want to co-operate, then nothing gets done. At the same time we as leaders have to say that we have to co-operate, that we have to find common solutions. This is like drops of water on a stone, the more that you say it, well, there’s probably somebody who wakes up. But once again it’s all a question of showing a good example, I mean, that co-operation works’.

Another interviewee also pointed out that politicians shouldn’t just defend administrative systems, but listen to the public and change systems if necessary. One noted that

‘You can never talk your way ahead in this world, you have to work. As long as co-operation is just talk you can make it look very attractive. When it has to start taking place in the organisation you run into problems, of course. Because of culture, practical reasons, we work in different ways etc.’

Not everyone felt that administrative organisation was important, however, and one interviewee said that

‘It’s people that are most important, whether or not you guard your personal borders, how you function as a person’
6.5. Gender

In both municipal administration and in the case of municipal politics gender was felt by some of the interviewees to be important. Some felt that women

‘Found it easier to co-operate, because women aren’t as concerned with prestige, and are used to make a family function together. Women aren’t as frightened of changing a decision and there’s less prestige involved when women co-operate. Men have a greater need to be big and clever, and women can see that co-operation has a value in itself, because that’s what they’ve done when they’ve managed their families.’

At the same time, women seemed to be impatient, especially about changes. One of the interviewees explained this in the following way.

‘That’s because we’ve been on the back bench so long, and have tried to get the men who have been leaders to make changes. We’ve seen that they haven’t succeeded because of prestige and other things, so when we finally get the chance we’re in a hurry because we feel that we’ve lost ten years or so. Despite everything most women come from a culture where they’ve been patted on the head and told “alright, alright my dear that’s not bad but now this is the way that we’re going to do it”. Now that we’ve moved up to first place we’re in a hurry.’

6.6. Economy

A number of the interviewees pointed out that regional co-operation could work as long as it didn’t involve controversial issues such as taxes. Political conflicts tend to become most acute when taxation becomes a part of the discourse. This is also apparent in the case of regional co-operation around the Göta Canal. As one interviewee laughingly pointed out, during discussions between the chairmen and women in the county ‘we don’t talk about taxes… and other costs, so we usually get on very well with each other. It’s the same in the municipality…’. Another pointed out that ‘the economic crisis made us realise that we couldn’t keep on raising taxes to get what we wanted, but that we had to manage the money we had.’ One also noted that

‘Municipal law must be changed in order for us to really pull down administrative borders and work in another way. And it is of course very difficult because each municipality’s tax income has to be used in its own municipality. How can we manage this? Well, perhaps we have to make a regional level to solve the problem. Now I’m going to be irreverent, but perhaps taxation must be managed at the regional level if we are really going to pull down administrative borders. That will of course create new borders and obstacles, but we have to start somewhere. Oh dear, if some people could hear me now they’d be furious!’

Another explained that the laws regulating the geographical use of tax also complicated matters when a Swedish municipality worked with a non-Swedish municipality, or with EU. However, one meant that ‘we have started to change our perspective and to see that we are really very small and in fact quite isolated when compared with many others. This has been very useful.’

One interviewee looked at taxes and regionalism in another way, and noted that an expansion of administrative borders to include more than one municipality had to be based on a vision or idea. Another hypothetically asked ‘why would (new administrative units) that be good?’ and answered the question by explaining that it wasn’t enough to simply claim that ‘we could keep taxation levels at this or that level.’
6.7. Business community

In a recent report (Pierre 1996) published by the Swedish Association of Local Authorities (Kommunförbundet) the authors noted that many councils had recognised that relations between the municipality and business had changed, and that detailed strategies had been replaced by more incremental methods. Long-term goals and evaluations seemed to diminish in importance, while the role of visions seems to have increased. Co-operation and networking have become key concepts and the main goal of the councils is not to create new jobs, but to develop the local business community as a whole (Pierre 1996). The last decade has thus seen a sea change in municipal attitudes to the business community and an opening up of contacts with trade and industry. One interviewee made it clear that

‘we have to support trade and industry, because we won’t have any people living here if we don’t have this. Then we won’t need any tax income either. If we don’t have any trade and industry we won’t be able to collect any taxes. This is vital. If business people want us to help with something then we do it.’

Another stressed that

‘the most important actor is the business community. I work a great deal in that direction, and this is of course because if you want to survive in a market economy you have to build your future by making yourself attractive for private capital. It’s extremely difficult to try to build up a development based on the public sector. This has been the problem of the last 20-25 years.’

An interviewee who now concentrates on developing business contacts pointed out that

‘the most important is to work on a long-term perspective that may not produce results tomorrow or next week or even next year. On the other hand you need to combine this kind of work with things that can be seen at once.’

An expansive business community was seen as a necessary prerequisite for both municipalities and the region. One interviewee pointed out that

‘the most important belief to work on is that we have to create growth as a region. We have to be a region that is attractive for trade and industry, so that they move here. The bottom line is that if the region develops, then our municipality does well too.’

In recent years there has also been a change in attitudes in the municipalities towards working together. Another explained that

‘When I started to work here just a few years ago there was very little regional co-operation. It was usual to reason in this way “if we co-operate Linköping will gain all the advantages anyway. We won’t gain anything, we’ll just support Linköping.”

One interviewee felt that these attitudes had changed as far as co-operation with the business community was concerned. It was felt that co-operation was necessary for successful marketing, even if it was true that Linköping and Norrköping were the most attractive municipalities. In some ways it was felt that Linköping seemed to have developed a better tradition in which the city has worked to supply infrastructures for business establishment. It was also felt that Linköping has a much better starting point than the other municipalities, with the university etc. It was also felt that Linköping could afford to be more adventurous, that it could afford to fail in some initiatives. In both Linköping and Norrköping, the incentive for new strategies seems to have been crisis. In Linköping, the loss of the military bases, and of civil air-plane production at SAAB, gave an incentive. In Norrköping, problems with Erikssons gave the same push ahead.

Co-operation with the business community was not a question of ideology. One interviewee stated that
‘In my opinion, in all forms of business activities, also tourism, its people, it’s personal involvement by politicians that’s most important. It’s not ideological differences. It’s not those that make a difference.’

In a similar way, the ways in which business contacts are organised doesn’t need to make a difference, although, of course it also may do so. However, it would seem that attitudes and the ways in which the main political actors in a municipality manage business contacts is the most important.

Earlier, the municipalities and the business community seem to have existed in two different worlds – the political system and private business. Today, the municipalities are acutely aware that they are dependent on business, and feel that business should also be aware that they need the public sector to provide attractive housing and services. One interviewee explained that

‘In these new times the municipalities work with business development in ways that they didn’t do before. And that’s important. It’s very easy for a public administration to sit and work with their own budget and look at their own activities and their own laws. It’s a question for politicians and leaders, of course. To make sure that everyone pulls in the same direction, so we don’t fall over each other, which is of course easy to do. Politicians have to make sure that the administration knows that these are new times, that we sometimes have to bend the rules a little when it comes to regulations and ways of thinking.’

According to the politicians and administrators interviewed there are significant differences between the attitudes of the business communities in small and large municipalities. The demands placed upon small municipalities in this respect are sometimes hard to live up to due to the limited resources at their disposal. One way of getting around this problem is to co-operate and pool resources. This is however not also popular with the business community in small communities. It was noted that

‘I think that businessmen feel a sense of local identity… that we belong together in some way in the municipality. We’ve discussed a project with nearby municipalities in which we could co-operate with business development, how we could build up something. There was a suggestion that involved a central unit that would be localised in one place but that would work in the field over the whole area. The business community has reacted and told us that, well, it the unit is placed in so-and-so then we don’t intend to go there and get advice. We want it here.’

It was also stated that businesses didn’t want to have to go to four different offices to get decisions. They wanted to go to one place and get help. One interviewee in a larger council, explained that

‘Its difficult to understand what this big clump, the municipality, actually does, especially if you’re a small businessman. Its especially difficult to know how its organised and who’s the right person to contact.’

It was also pointed out that businessmen shouldn’t have to get in touch with a whole series of offices. In general, the ways in which the councils organised their business contacts were usually quite new, some just a few months old at the time of the interviews, some a few years.

7. Analysis

A political unit, an administration, and co-operation between organisations, can be analysed in many different ways. Basically, there are two main competing schools of thought; the first sees public administrations as organisations in which decisions are made after a listing of all alternatives and their consequences. This is often termed the ‘rationalist’ point of view. The competing way of looking at public organisations stresses the importance of other factors such as administrative structures and culture, and sees the organisation and its actors as parts of different networks. The concept of networks
has gained popularity during recent years, both among researchers and practitioners (Knoke 1990; Bengtsson and Brorström 1999; SOU 2000). ‘Network’ has become something of an administrative and political catchword in the late 1990’s. It occurs time after time in strategy documents such as the county of Östergötland Regional Development Plan and in a number of the interviews with politicians and civil servants in this project.

Networks are sometimes simply taken for granted, as a term for a way of interacting that has become natural for most politicians and civil servants, and they are not analysed in detail by the interviewees in this project. They are often seen as a way of building a reputation that can become a political asset (Knoke 1990). Others have seen networks as a strategy for gaining influence over actors outside the established political institutions (Lundqvist 1998).

Jörgen Johansson, chief secretary for the Swedish PARK Committee (Parliamentary Region Committee) which has been given the task of evaluating Sweden’s regional experiments, claims that the developments taking now place in Sweden at the local and regional levels represent nothing less than the birth of a new epoch. Johansson claims that centralised government is being replaced by a multi-facetted state, and a system of ruling through the authorities is giving place to networks and partnerships [Johansson, 1999 #1115]. At the same time, he states that these developments at the regional level have failed, as yet, to attract the interest and support of ordinary citizens. What then do politicians and administrators mean when they use the term, and what are these networks? A deeper analysis of the nature of the political and administrative networks is obviously necessary. First of all it is necessary to decide if the networks are political, economic, or simply social. We also need to ask, however, what it is that is transmitted in the networks that are referred to by the interviewees. As Swedish law prevents the municipalities from investing their tax incomes in other municipalities economic aspects cannot be the sole form of co-operation. The following alternative forms of transaction can be presented.

- Economic exchange
- Social relations
- Political influence
- Information

Lundqvist (Lundqvist 1998, p.93) suggests that mutual learning and the exchange of information are strong incentives for networking, and that certain conditions must be met before co-operation is considered advantageous. These include mutual interest, areas of common concern, the perception that each member of the network can contribute to the solution of common problems, that exchanges must be possible, and that there are no alternative solutions (Lundqvist 1998, p.94).

Swedish municipalities have, during the 1990’s and especially after Sweden’s entry in the EU, developed new and more intensive relations with both other Swedish municipalities and with municipalities in other countries. The force behind these developments has partly been an increased awareness of the importance of these actors, partly a desire to gain advantages from the different forms of EU initiatives available to municipalities, which are often dependent on co-operation between two or more actors. Networks have become an important form of contact between the municipalities, and between municipalities and the EU (Ward and Williams 1997). According to Wasserman and Faust ‘the social environment can be expressed as patterns or regularities in relationships among interacting units’ (Wasserman and Faust 1995, p.3). These regular patterns are referred to as structure. Relationships, however, may be economic, political, interactional, affective etc. and the type of relationship is therefore important. According to Wasserman and Faust, network analysis stresses the importance of relational concepts, and is based on the following premises. First, that actors and their actions are interdependent, not independent, autonomous units. Secondly, that relations between actors act as channels for the exchange of material or non-material resources. Thirdly that a network structure can provide opportunities, but also constraints on individual action. Fourthly, that structure constitutes lasting patterns of relations among actors (Wasserman and Faust 1995, p.4). Network analysis methods utilise the concepts of dyads (two actors and their ties), triads (three actors and their ties) or
larger systems such as subgroups or entire networks. The units analysed can be either individuals, groups of individual, organisations etc. In this project the participating municipalities have determined the choice of units as the aim has been to analyse the seven canal councils.

Three major forms of networks can be identified; these are lobbying and exchange networks, policy networks, and international relations networks. Interest groups and organisations, trade and industry, and regional and local political and administrative institutions develop lobbying and exchange networks. The aim of this form of network is often to influence other institutions or to facilitate the exchange of information between the network’s participants. The networks referred to by the interviewees in this project can be best described as exchange networks, and networks are considered necessary in order to gain ‘knowledge, information and experience’ (one interviewee). Policy networks, on the other hand, have a more formal institutional framework than lobbying networks, and often place greater demands on the participants. A policy network can be a group of interest groups, organisations and/or people who have a common interest in a policy’s development and implementation. They often consist of administrative officials from both high and low levels of an administration together with pressure groups and representatives of private businesses (Budge 1997, p.293). These networks can be quite large, or they may be quite small (Petersson 1998, p.227).

Bennington and Harvey (Bennington and Harvey 1994, s. 26-27) have in turn presented four categories of networks, namely, peak, spatial, thematic, and sectoral. Peak networks include European umbrella organisations such as the Council for European Regions and Municipalities (CEMR) that aims at co-ordinating local and regional authorities’ influence in Europe. Spatial Networks are networks that consist of municipalities or regions that share specific geographic categories or interests. These are the kind of networks that attempt to protect the municipalities’ or regions’ interests. They can be created on the initiative of an individual state, states, or the EU. INTERREG is a specific example of this type of network. Thematic Networks are created in order to influence institutions and may be initiated as a reaction to some specific policy programme. Sector Networks develop between municipalities and/or regions that share basic economic conditions. They aim to support economic development in similar economic sectors, and/or to facilitate the transitions to different economic conditions. These aims and purposes are not necessarily exclusive; a network may well have more than one ambition and purpose. Williams (Williams 1994) characterised networks according to their breadth, duration, function and membership. By breadth was meant the range of issues that the network was concerned with, i.e. one or more issues; duration indicates whether the network is an ad hoc construction created specifically as an answer to a specific problem or programme, or a long-term form of co-operation. Function refers to the network’s field of activity and membership distinguishes between networks that are open for everyone and those that only accept a limited group. As the co-operation between the local authorities around the Gotha Canal is relatively recent it is difficult at this stage to complete an analysis of the best way to categorise it as yet. Obviously the breadth of the network is quite narrow, as its aim is to increase co-operation in, primarily, marketing of the Canal. However, as has been noted earlier, co-operation around the Canal is only a small part of a broader process of regional and inter-municipal development. The network can also be considered in some ways ad hoc, although once again it is necessary to see it in a larger context. In the case of membership then it is apparent that only the Canal municipalities are eligible. Actors in networks can be identified either by reputational and decisional methods. Reputational methods are based on the actors identified during, for example, interviews. Decisional methods are based on the identification of actors through content analyses of official and other documents. Hunter (1953) used reputational methods. These methods often reveal centralised, pyramidal structures. Robert Dahl attacked the reputational approach and used a decisional approach (pluralism). This approach often reveals decentralised, fractional structures. The scope of this project has not allowed a detailed analysis of the relationships between individual actors. What can be seen, however, is that, according to the interviewees, there is not one but a number of networks in place. The two most obvious are those to the west and to the east of Lake Vättern, but even these networks can be broken down into smaller constellations.
8. Conclusions

The municipalities are in fact creating new networks of actors consisting of groups of organisations and/or people who have a common interest in a policy’s development and implementation. The new networks consist of politicians and administrative officials from both high and low levels together with, in some cases, interest groups and representatives of private businesses. These contacts are usually most successful when they involve a number of the main political and administrative leaders in the participating municipalities as this demonstrates the importance of the project.

The Gotha Canal runs through parts of two Swedish counties – Västergötland and Östergötland. Although they are geographically quite close, the parts of the two counties where the canal is located differ considerably in their economic development, as well as in the forms of co-operation that they have developed. The present differences can very briefly be summarised as follows:

1. The municipalities to the west have a longer tradition of co-operation than the municipalities in the east, and have already formed an organisation to utilise the Gotha Canal as a tourist attraction. Co-operation in the eastern county of Östergötland is relatively new, due to a number of factors that will be analysed below. Co-operation in the east is however now being developed.

2. The municipalities in the west are geographically relatively far away from the focus of administrative and political power and the recent creation of the large region of West Sweden has aggravated this tendency. This has provided the impetus for the western municipalities to increase co-operation between themselves in a number of different areas, including the co-operation between Karlsborg, Mariestad, Tibro and Töreboda in the development and marketing of the Gotha Canal.

3. One of the issues that complicates the possibilities of co-operation between municipalities is the relative size and resources of the potential partners. This aspect is important, as it is likely that municipalities that are of about the same size will find it easier to establish successful contacts. If one of the municipalities has access to greater resources in the form of funding, competence, access to information, etc. then the co-operation may become one-sided, and one of the partners may be able to dictate the conditions for the co-operation. This puts it in a potentially strong position that it may or may not utilise. In the east, the larger cities of Linköping and Norrköping have dominated the county of Östergötland. These two cities are both to be found in the geographical centre of the county, and have until recently not shown excessive interest in co-operation with the other, far smaller municipalities. Their dominance has probably until recently hindered regional co-operation in the east, and their present co-operation (in Östasam, East-Sweden etc.) now dominates the county. At the same time, Söderköping is the only canal municipality in the east that is also a member of the P8 group, an informal organisation of the eight smallest municipalities in Östergötland.

4. It is also important how dependent the municipality is on outside factors. A municipality’s dependency on the outside world determines its room for strategic action and therefore the demands that it can make on other partners in any negotiations (Pierre 1994, p.51). The demise of traditional industries has left many Swedish towns and cities dependent on a limited number of newly developed industries and therefore in a relatively weak negotiating position. Economic development in the larger municipalities in the east has been greater than in the west during the last decades. This has forced the western and smaller municipalities to look for incomes from tourism in a way that has not been necessary for the larger eastern cities. An issue can therefore have specific interest for a small municipality, and this may lead to it taking a greater role in certain forms of co-operation that other, larger units. For example, the largest of the municipalities along the Gotha Canal are not necessarily those that benefit most from the co-operation, and it may therefore be inappropriate to base cost-sharing simply of the number of inhabitants.
5. There is a long tradition of competition between Linköping and Norrköping and this has complicated relations in the eastern county.

6. Co-operation between the eastern and western municipalities has been, and is, extremely limited. This is due to geographic distance and to the fact that there have been very few areas in which it has been felt natural to co-operate. In a recent survey of municipal it was shown that most of the politicians only considered co-operation with other nearby municipalities to be feasible (Hallström 1999). In order for municipalities to develop networks with distant partners there must be therefore be substantial incentives. On the other hand, as one of the experienced civil servants pointed out, it may well be that there is more competition between municipalities in the same area. In the case of the Gotha Canal the incentive for co-operation is the belief on the part of the participating Swedish municipalities that it will lead to more efficient marketing of the canal as an attraction and that this will in turn lead to benefits for the individual municipalities.

7. Network relations in the west and east differ considerably from each other and are independent of each other. While the three western municipalities are reasonably united in their efforts to exploit the Canal, together with Tibro, structural irregularities and the asymmetric size, resources and political power of the four eastern participants create difficulties and may hamper co-operation between them.

8. Each municipality influences the behaviour of the others through its own activities. This is obviously so in the case of dyads and triads in which the actors have direct relations with each other. It can however also be the case when actors do not have direct relations with each other, as the activities of each actor in the network affects the network as a whole and therefore all the other actors.

9. Party political differences are not an important factor affecting co-operation in practical issues such as regional development. The personality of the participating politicians and civil servants is much more important.

10. It is often a question of reaching agreement on the standard operating procedures of a project. In order for the participants in a project to successfully work together there has to be some kind of consensus on goals and methods. Civil servants and politicians in some municipalities attempt to adopt a bottom-up approach that is different from the top-down methods that are favoured in others. Some strive after rational decision-making models while others prefer incrementalism. A number of different traditions can therefore meet in this co-operation. If there are differences in political or/and administrative cultures, the question is whether these must be changed, and if so, who, if anyone will change, and how? These are among the major questions that must now be solved by the politicians and civil servants engaged in co-operation around the Gotha Canal, and in the region in general.

11. When two different political and administrative cultures attempt to work together the importance of formal and informal institutions becomes acute. Bureaucratic norms and standard operating procedures differ radically between different organisations. This is more important than the political landscape of the municipalities and administrative cultures play a greater role than political loyalties. The issue of norms and political culture also raises the question of mentality, and how to change the ways in which people think. This is an issue that it is not possible to make laws about.

12. Contemporary exploitation of the Gotha Canal is based on its worth as a tourist attraction. In this exploitation, two or three actors are expected to play major roles. The first of these is the state, which owns the Canal and is also represented at the regional level by the County Authority. The other one or two are either the municipalities to the west of Lake Vättern and those to the east, or all of them together. Co-operation around the Gotha Canal is a specific form of inter-municipal co-operation. It is, however, also a small part of a larger process that the municipalities are engaged
In the case of the Gotha Canal, business was not integrated into the co-operation from the start. The Canal was sometimes seen as a resource to attract and keep highly-qualified workers in the municipality. It would seem that the Gotha Canal, and the co-operation around it, were not always of vital importance for the councils, even if they were more important for the smaller councils. Instead, the co-operation can be seen as an ingredient of a larger process in which co-operation between the councils is being built up.

9. Future research

Co-operation between the local authorities examined in this project is relatively new and undeveloped, and the factors that influence this kind of co-operation are not sufficiently known. Future research should aim at developing both empirical knowledge and theoretical concepts. It is also important to analyse in detail the forms of networks and the relationships between actors.

10. References

http://www.e.lst.se/regek/tillväxt/sammanfatt.html.


11. Interview questions

Political organisation
1. Can you give a short description of how your municipality is politically organised?
2. What (in your opinion) is the main concept behind your municipality’s political organisation?
3. Who (in your opinion) are the most important political actors in your municipality?
4. Who (in your opinion) are the most important political actors in other parts of the region?
5. Which other political actors outside the region are important for your municipality?
6. Can you name the politicians in your municipality, in the region, and outside the region that YOU often work with or get in touch with.

Administrative organisation
7. Can you give a short description of your municipality’s administrative organisation?
8. What (in your opinion) is the main concept behind your municipality’s administrative organisation?
9. Who (in your opinion) are the most important administrative actors in your municipality?
10. Who (in your opinion) are the most important administrative actors in other parts of the region?
11. Which other administrative actors outside the region are important for your municipality?
12. Can you name the administrators in your municipality, in the region, and outside the region that YOU often work with or get in touch with.

Development
13. What are the most important factors that enable development in your municipality?
14. What are the most important factors that prevent development in your municipality?
15. Is co-operation with other municipalities important for development in your municipality? If so, how?

Tourism
16. Can you give a short description of how tourist issues are managed in your municipality?
17. What (in your opinion) is the main concept behind the organisation of tourist issues?
18. Who, in your opinion, are the most important actors in the tourist sector in your municipality – this includes politicians, administrators, interest groups, private businesses etc.

19. Are there any other important actors for the tourist sector in the region – this includes politicians, administrators, interest groups, private businesses etc?

20. Are there any other important actors for the tourist sector outside the region – this includes politicians, administrators, interest groups, private businesses etc?

21. Can you name the actors in the tourist sector in your municipality, in the region, and outside the region that YOU often work with or get in touch with?

22. Is co-operation with other municipalities in the tourist sector important? If so, how?

23. Is the Gotha Canal important for development in your municipality? If so, how?
8. Slutsatser

Vi kan se att det i kommunerna skapas nya nätverk bestående av grupper av organisationer och/eller människor med ett gemensamt intresse för utvecklingen och implementeringen av en policy. Dessa nya nätverk formas av politiker och tjänstemän från både hög och låg nivå, och i visa fall tillsammans med intressegrupper och näringslivsrepresenanter. De mest framgångsrika nätverksdrivna projekten är de där de högsta politiska och administrativa ledarna från kommunerna deltar, vilket manifesterar viken av det aktuella projektet.

Göta kanal går tvärs igenom två av Sveriges landskap – Västergötland och Östergötland. Men även om de två landskapen är geografiskt nära varandra så skiljer de sig betydligt åt, både i sin ekonomiska utveckling och vad gäller det interkommunala samarbetet som har utvecklats. Skillnaderna kan kort summeras enligt följande:

Kommunerna i Västergötland har en längre tradition av samarbete än kommunerna i Östergötland. De har redan format en organisation för att utnyttja Göta kanal som en turistattraktion. Samarbetet i Östergötland är relativt nytt, vilket beror av ett antal faktorer som kommer att analyseras nedan. Utvecklingen av samarbetet i Östergötland är emellertid en pågående process.

Kommunerna i Västergötland har geografiskt relativt längre till den administrativa och politiska maktens centrum, skapandet av det nya stornäset Västra Götaland har förstärkt denna tendens. Detta har bidragit till att öka samarbetet mellan kommunerna i Västergötland i en mängd frågor, bland dem det interkommunala samarbetet mellan Karlsborg, Mariestad, Tibro och Töreboda när det gäller utvecklingen och marknadsföringen av Göta kanal.

En faktor som komplicerar samarbetet mellan kommuner är den relativa storleken och den relativa tillgängen på resurser hos de potentiella samarbetsparterna. Detta har betydelse eftersom det är mer sannolikt att kommuner av ungefär samma storlek kommer att etablera ett framgångsrikt samarbete. Samarbetet kan bli ensidigt om någon av kommunerna har tillgång till större resurser i form av finansiella tillgångar, kompetens, tillgång till information etc.. En kommun med större resurser harmar i en potentiellt starkare position, och kan diktera villkoren för samarbetet, något som den kan välja att utnyttja eller inte. De två stora kommunerna Norrköping och Linköping har dominerat Östergötlands län. De två kommunerna återfinns geografiskt i centrum av länet och har tills nyligen inte visat överdrivet intresse för samarbetet med de andra, betydligt mindre kommunerna. Dominansen från de två stora kommunerna har förmodligen varit ett hinder för samarbetet i Östergötland. De dominerar också det nuvarande samarbetet (Östam, East Sweden etc.). Söderköpings kommun är den enda av kanalkommunerna som också är medlem av P8-gruppen, en informell organisation för de åtta minsta kommunerna i Östergötland.


Linköping och Norrköping har en lång tradition av konkurrens vilket har komplicerat relationerna i Östergötland.
Samarbete mellan östgötska och västgötska kommuner har varit, och är, mycket begränsat. Det geografiska avståndet är en huvudorsak till detta, dessutom har det funnits få områden där det känts naturligt att samarbeta. I en nyligt utförd undersökning uppgår de flesta politiker att de ser samarbete som en möjlighet endast med kommuner i närheten (Hallström 1999). För att kommuner skall upprätta nätverk med samarbetsparter på avstånd krävs därför avsevärt stärka incitament. Ä andra sidan kan det vara så, som en erfaren tjänsteman pekar på, att kommuner nära varandra konkurrerar mer med varandra. Incitamenten för att samarbeta kring Göta kanal grundar sig i en tro på att samarbetet leder till en mer effektiv marknadsföring av kanalen som turistattraktion, och att detta i sin tur leder till vinster för varje deltagande kommun.

Relationerna inom nätverk i Västergötland och Östergötland skiljer sig avsevärt åt och är oberoende från varandra. Medan de tre kommunerna i Västergötland förenas i sina ansträngningar att exploatera kanalen, tillsammans med Tibro, hämmas samarbetet mellan de fyra kommunerna i Östergötland av strukturella olikheter och asymmetrisk fördelning av invånarantal, resurser och politisk styrka.

Varje kommun påverkar andra kommuners beteende genom sina egna handlingar. Tydligast ser man detta i samarbeten mellan två eller tre parter, där varje part har en direkt relation till de andra. Men en parts handland kan även påverka hela nätverket och därmed de andra parterna utan att alla har direkta relationer med varandra.

När det gäller praktiska frågor som regional utveckling påverkar inte partipolitiska skillnader samarbetet i någon högre grad. Personlighetsdrag hos de deltagande politikerna och tjänstemännen är en betydligt viktigare faktor.


Inom projektet har följande rapporter producerats:


