From Rivalry to Cooperation in Östergötland

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Östergötland is a county in Sweden known for its intense and innovative actions for growth. Private companies, municipalities and public authorities have worked together in several areas of importance to growth, especially since the Regional Council of Östsam became responsible for the regional development. This chapter highlights an underlying, important factor when it comes to public initiatives for growth: paving the way for good cooperation and relations between the partners involved. As many other counties, Östergötland has gone from serious conflicts to well-functioning cooperation. The way that such a change of perspective is made, and how experiences can be used in other counties and situations, is essential to regional growth politics.

The East Link as an Example of Good Partnership

The national government budget bill of the second half of 2012 revealed the government’s confirmation of the construction of the East Link. This is a double track rail road from Järna, south of Stockholm, to Linköping. The construction will start in 2017, and the track will be ready in 2028. Even if a lot of work remains, this means that probably the most important issue for the development of Östergötland is completed with success.

The East Link will eliminate the bottle necks on the mainline through Östergötland, and travelling from and to Stockholm will
be much quicker. Linköping will be closer to Stockholm, and so will Malmö, Gothenburg and Skavsta Airport. At the same time, it should be remembered that the capacity of the southern mainline to Skåne and Copenhagen, and the mainline between Östergötland and Jönköping, Borås and Gothenburg, still needs to be increased. The vision is a railroad that connects big municipalities in the southern part of Sweden, called Götaland, in order to create bigger labour markets and increase the emergence of new and expanding companies. High speed trains between Copenhagen in Denmark and Hamburg in Germany are being discussed.

The East Link will be a governmental effort with considerable participation of municipalities and regional partners. Many more decisions need to be made before the construction can start, and for the railroad to make a difference to commuters and business activities. All public transportation nets will be affected, when it becomes attractive to more people to travel by train. Companies as well as individuals can move to Södermanland and Östergötland to make use of the shorter commuting time. Both of these counties will become an integral part of Stockholm in the future, in a way that the county of Uppsala is today.

Until now, the East Link project has been primarily about forming the opinion of national decision makers, but it hardly would have been possible without a profound change in the approach for the development of Östergötland. A focus on common interests and openness to coordination made the change possible. It has been a long journey from fairly cold relations between the municipalities, especially Norrköping and Linköping (the biggest and most competitive ones), to the present cooperation manifest named “The fourth big city region”. This designation indicates that the two municipalities of Norrköping and Linköping together are as big as Malmö (the third biggest city in Sweden), and that they should be considered in the same way by investors, the national government and others. These are the underlying changes of the cooperation climate that are discussed in this chapter.

Östergötland is an expansive and dynamic region with several hospitals, a university with two campuses, and big internationally
competitive industries. The smaller towns have good public transportation connections with the bigger towns and cities, which means that it is possible to keep living here and commute to work, or to live in a bigger city and still be close to nature. Distinctive is, that there are two big municipalities that have been competing about the leader role. Norrköping was a huge industrial city for a long time, but the university city of Linköping has passed it. Since the end of the 1990’s, the university covers both municipalities, and the so called “campus bus” is a tangible example of how they are knitted together. High technology research centres in both towns indicate a faith in the future. As in other counties, there is of course a covert threat about structural changes leading to moving and merging activities in order to keep costs down. So far, the discussions have been mostly about the future organization of the medical care. There is also a potential gain in being more attractive than the neighbouring counties when companies want to move to the area from Stockholm, or from abroad.

A learning example

The development in Östergötland is an interesting example, but not a unique one as regards new relations, a changed way of working in the public sector and in relation to companies and other organizations. The development is an example of so called “new regionalism”, which is about emphasizing common interests and working together in a goal-oriented way across organizational borders (Keating 1998). The changes in Östergötland are partly due to the new point of view of development, which I will get back to. The word “governance” refers to something different and more informal than “government”, which refers to the formal and more hierarchical structure of the public sector (Niklasson 2003).

Our purpose is to give an overview description of the development process that has made the East Link possible, and to discuss experiences of relevance to regional development politics in general. The question to be answered is how the rivalry could turn into cooperation in fields of common interests in the county (and with other counties), with the East Link as the most recent example of
success. The analysis is of interest to authorities, municipalities and companies, etc in other counties as Östergötland is similar to many other counties in the southern half of Sweden. It considers itself independent through its history and dialect. It is within two hours of a big city (Stockholm), and the commuting for work is already a reality.

A number of circumstances which have contributed to the development of cooperation in Östergötland is described in this chapter. In retrospect, this development may seem self-evident, but comparisons with other counties show many obstacles for regional cooperation, and the interesting thing is how the municipalities, counties and authorities managed to overcome them, or are about to. The sharp question is why the cooperating partners in Östergötland are further ahead than partners in other comparable counties (Statskontoret 2004a). The comparisons fortify the analysis, but will only be implied here. They are described in other contexts.

There is comprehensive literature on growth that discusses terms like collaboration, consensus, leadership and learning. In particular American contexts, with a highly fragmented public sector, emphasize “collaborative leadership” (Chrislip & Larson 1994), cooperation through planning (Innes & Booher 2010) and collaboration for economic development (Agranoff 2004). Regionalism is often synonymous with creating arenas for collaboration in big city areas that consist of many small municipalities (Feiock 2004, Benjamin & Nathan 2001). Similar ways of working is found in many other Western countries, e.g. Great Britain and Australia (Beer, Haughton & Maude 2003), and in developing countries like Brazil, India and South Africa (Briggs 2008).

The interest in collaboration partly coincides with a general interest in innovation systems, which is a descriptive and pragmatic way of analyzing participants and processes of growth. The analysis is based on recurring interviews with the regional organizations involved in Östergötland, and with the same kind of organizations in other counties. The first study in 2003 was about cooperation within the Regional Growth Agreements, and the following Regional Growth Programmes. The results were presented in a report by The Swed-
ish Agency for Public Management (Statskontoret; 2004a) which included a discussion about plausible explanations to the successful cooperation in Östergötland. A complementary study was made in 2004, in which Östergötland was used as an example of comparison in the evaluation of Region Skåne and Region Västra Götaland (Statskontoret 2004b). Both studies were scientific theses (Niklasson 2004 and 2005). A third study was made in 2011 as a part of an analysis of the infrastructure projects in Sweden, financed by the EU regional fund (Niklasson & Sandström 2012). Lastly, complementary interviews were made for this study.

Another source of inspiration is literature about the fragmentation and integration in the public sector. So-called "joined-up government" (Bogdanor 2005) is a way of networking across organizational borders with the intention to achieve common goals (Niklasson 2003). This point of view is especially usual when it comes to regional politics in many countries (Niklasson 2007). The perspective can be applied on public activities in general, and on relations between companies. Sociologists and business economists discuss, among other things, learning in and between organizations (Stein 1996).

The criticism against collaboration is primarily found in the discussion about how the public sector should be run. The opposite to collaboration as an ideal is a clear division of responsibility with absolute goals for each and every task alone. The key issue is to demand responsibility (Bovens 1998). Another point of criticism is the risk of white collar government, which is a consequence of agreements and adjustments according to circumstances made by the public organizations (Sorensen & Torfing 2007).

Those in favour of collaboration often regard it as the second best way to deal with an indistinct division of responsibility between authorities or other organizations on e.g. the regional level. Some elevate collaboration to an alternative form of democracy (Hirst 1994), close to a sort of autonomy for a territory. Others emphasize the ability to solve problems as an essential, but to some extent, neglected value in democracy (Briggs 2008). In all modesty, Östergötland appears to be as interesting to discuss as e.g. Pittsburgh or Sao Paolo (Briggs 2008).
Between Collaboration and Conflicts

The following reasoning focuses on understanding the overall change in Östergötland, from conflicts and rivalry to established cooperation. The East Link project is an important part of the cooperation, but this analysis concerns the general cooperation between different organizations in Östergötland. What makes rival municipalities change perspectives, tone down disagreements and instead emphasize common gain (as well as looking for common cooperation partners outside the county)?

Conflicts and different perspectives still exist. Cooperation does not require that everybody thinks alike, only that they can prioritize the common good in all important situations. The differences were exposed when the county and municipalities were to choose the future organizational structure in the summer of 2012.

The suggestion was that the Regional Council of Östsam should be merged with the county of Östergötland in order to create a bigger organization with a more comprising mandate, and more capacity for initiatives and actions. It was supported by some, but not everybody. The chair person of the municipality of Norrköping wanted regional development to be a national responsibility, like before (Johansson & Niklasson 2013). Although there are different opinions about how regional development should be run in the future, the Regional Council of Östsam has played an important role during the last decade.

The making of Östsam was a manifestation of the willingness of the municipalities and the county to cooperate, since it demanded that all of them wanted to become members and contribute financially to the organization and its work. Afterwards, Östsam has become a development engine in the county. The cooperation processes in the county can be divided into two periods: one which led to the overtaking of the regional development responsibility by Östsam in 2002; the following one, which led to the confirmation of the East Link by the Swedish government.

The progress of change in Östergötland becomes especially interesting in the light of the conflicts that existed until the beginning of the new millennium. There are many stories about the trauma
that Norrköping experienced when it lost its position as a leading industrial city. To the visitor, it is obvious that Norrköping has been a rich city with a great amount of self-confidence. The boulevards and architecture reveal an almost unimpeded success from the 17th century of Louis de Geer until the 1970’s. Moreover, during a period of time, Norrköping was a county of its own.

Norrköping eventually became dominated by the textile industry, which ended up in a crisis all over Sweden and other Western European countries in the 1970’s, when cheap import from low wage countries took over. The Swedish government managed to hold back the massive fall to some extent by moving authority head quarters to Norrköping. The most recent measure is the modernization of the old industrial premises into an enticing environment for the university’s Campus Norrköping.

Linköping used to be the county seat with a bishop, a governor and higher education. The relationship between the two cities were similar to the one between two other Swedish cities, i.e. Malmö and Lund, or Falun and Borlänge – one bigger, industrial city and a smaller, more academic city that to a large part is governed by national authorities, and often run by a conservative, political majority.

Linköping’s good fortune was that SAAB established an airplane factory in the city, which in the 1960’s became a reason for establishing a university of technology in the city. There was a strong pioneer spirit in the field of technology, and the university made itself a name as an innovator, e.g. by initiating new educational programmes (industrial economy), new methods of teaching (problem based learning) and transversal research environments on different subjects (Niklasson 2012). The making of the technology village Mjärdevi manifested Linköping as a center of high technology in the south of Sweden. Linköping had a steady growth rate, in line with the pattern that the university cities were basically the only cities in Sweden that expanded. Eventually, the little brother grew larger and stronger than the big brother.

The rivalry between the two large municipalities was strong in the 90’s, but at the same time, there were voices for cooperation. If the battleaxe could be buried and focus could be on the common good
for Östergötland and its development, a different national position would be achieved. But time was not ready for collaboration.

*The 90’s – a Decade of Conflicts*

In the 1990’s, the big symbolic question in Östergötland was the one about the airports. Both municipalities had military airfields, and Linköping also had the airfield of SAAB. There was civil flight traffic in Norrköping and Linköping (SAAB), with problems of competition and profitability in both places. At the same time, a debate started about the future need for a bigger airport south of Stockholm. There was an opportunity to take the initiative and promote an airport in Östergötland as the new Arlanda (Stockholm international airport), south of Stockholm.

The municipalities discovered the strategic possibilities, and decided to build a common airport in Norsholm, between the two cities. A scandal in Linköping stopped the airport from ever being built. Instead the smaller town of Nyköping in the neighbouring county of Södermanland seized the opportunity to modernize its old military airfield at Skavsta, shaping it into a new airport for the whole southern Stockholm area. The municipality of Nyköping made a deal with Ryan Air, and the rest is history.

Skavsta Airport has a bigger catchment area, and is therefore a better location for a big airport, but that does not exclude the fact that an airport in Norsholm could have been possible. Especially when flight traffic was regulated and SAS was the big player, there were possibilities to govern it. A common airport would have made Östergötland more visible on the map, and could have been the beginning of a population center along the 40 kilometres on the E4 interstate, which separates the two cities. Logistical companies and industries could have considered this an attractive area.

The fiasco of a common airport has been described as important inspiration for improving the cooperation in Östergötland. There is a clear pedagogical aspect to the situation, when the rivalry between the cities results in loss for both of them. When two partners are not on speaking terms, a third part will win, in this case Nyköping. If the two partners can agree with each other, both of them can
win, even if one might win a little more. In other words, the gain of Linköping does not necessarily mean the loss of Norrköping. The situation is not a zero sum game between the two municipalities. Based on the new mindset, it is both desirable and possible to form an organization together, in order to achieve development for the common good. When the Swedish government offered the opportunity to constitute a Regional Council in 2002, the municipalities and the county council took it and formed Östsam.

**Turning to collaboration**

The airport issue can be considered the vital spark, although not everybody agrees with that description. There were many other reasons. One is that, already in the 1960’s, ways of development were analyzed. The County Administrative Board under Governor Per Eckerberg’s leadership wanted to outline what research could contribute, and invited e.g. the Cultural Geographer Gunnar Arpi to analyze development possibilities. What was then called regional planning was intellectually imprinted, when key factors started to be identified as well as causes and effects in the economic geography.

There is certain continuity from Eckerberg and Arpi to the East Link, since the arguments for the East Link are based on ideas about how infrastructure efforts can create conditions for development and growth. The key word is regional enlargement, i.e. the observation of the importance of how long it takes to travel a certain distance. If the public transportation alternatives are well-developed, employees and companies will move across a larger area. Their region becomes bigger. In Sweden, the labour markets are expanding. They are becoming fewer but bigger, which means that commuting is increasing, which in turn means that differences between local labour markets can be an advantage.

Someone who loses his or her employment in Norrköping or Motala can find a job in Linköping and vice versa. Thus, investments in infrastructure can be a good move against unemployment, and make it possible to work in the expanding cities while still living in smaller towns. There might be other opinions about commuting, of course, but it is still an interesting observation.
The regional enlargement is connected to the debate about the merging of municipalities. There is a tension between the needs of vicinity and the economy of scale in the public sector. On one hand, it is very important to democracy and the participation of the citizens to be close to the political decisions. On the other, it is getting more and more expensive to keep up a small-scale organization. The discussion about regionalization can be considered an example of how certain issues seem to be best dealt with in a context, which is larger than the municipalities but smaller than the Nation-State. A similar logic pushes the European integration forward, as the Nation-States have united to deal with competitiveness, environmental politics, etc.

A new organization takes form

One reason for the success of Östergötland is the determined behaviour of politicians and civil servants who have bridged the different specializations that affect community planning. Single individuals have been “free but responsible radicals”, working across organizational boundaries. Östsam has welcomed such individuals, and enhanced its result oriented way of working, partly since it has been a main task. Up until 1970, Sweden effected the merging of municipalities step-by-step. The Nordic model with the municipalities as strong carriers of welfare services, seem to demand a certain degree of large-scale operations. However, many municipalities have a hard time fulfilling their obligations, and are looking for ways of cooperating with their neighbours within a framework of regional arrangements. This kind of structural change is often traumatic, and can only be carried out if there is a diligent analysis and a political leadership. A regional organization can pave the way for new cooperation alternatives.

It has been said about municipalities and regions that their politicians need to move up a stairway of knowledge, where they acquire knowledge about the development possibilities of the organizations. The self-image of a Weberian-type civil servant who simply follows given instructions is insufficient. The economical geography is changing, and there has to be a local and regional leadership that interprets the needs for change and makes necessary adjustments. Furthermore,
a way of working that bridges the far-reaching specialization in the public sector is needed. Today’s municipalities are divided into specialized functions with different missions, e.g. to observe business and commerce development, or environmental issues. Specializations run the risk of becoming trench wars with basically no possibilities for dialogue or an overall picture.

There is a deep collaboration culture in Östergötland. When the Swedish government encouraged authorities to collaborate with each other and with companies within the frames of regional growth agreements, Östergötland took the opportunity. An internal evaluation revealed huge conflicts in the beginning, but in 2003, the situation was the opposite. Authorities and municipalities collaborated to a great extent in fields like training skills (Arbetsförmedlingen, i.e. the Swedish Employment Agency, and the municipalities) and support for new entrepreneurs (Arbetsförmedlingen, the County Administrative Board, Almi). There were examples of authorities covering up for each other when they ran out of resources, with the purpose of creating an image of the public sector as an entity instead of the fragmented mesh of overlapping and rival organizations, that they, in fact, were. Meeting authority representatives in 2003 was like meeting one coherent Östergötland Public Authority. The difference was obvious, compared to other counties where authorities did not consider any matters in common at all (Statskontoret 2004a).

The government called for collaboration, but there were already a lot of driving forces aware of the need. The County Administrative Board was responsible for regional development until 2002, and spread a good spirit. Other authorities gathered in the so called Lion Group in order to provide collective service for the citizens. The pilot scheme of regionalization included “citizen offices”, which brought a focus on the perspective of the citizens. It became evident that the authorities were motivated by the outsider’s perspective on their own organizations, when it came to providing good service and taking the full responsibility for tasks, which they were only partly responsible for. The idea of “one door in” was dominant, and it was considered a big problem that it was normally up to the citizens themselves to find out what authority answered what questions.
At this time, information offices and so called “knowledge centres” were opened in many parts of Sweden in order to promote the citizens’ accessibility to further education, without promoting the mandators. In the local context, a whole picture across the boundaries of the organizations was necessary, and achieving that was prioritized. The big problem was when authorities presented different information, or allowed matters to fall between the cracks. Later, in the first decade of 2000, this changed when the Swedish government started to emphasize the national conformity of each organization. Many authorities have been made into one on a national level in order to use the economies of scale in the internal systems. The obvious risk of this situation is that the perception of entirety in the local and regional contexts goes down. Basically, the question is whether the public sector should be organized in aspects of functional specializations (coherent authorities) or in aspects of territorial integration (county-based coordination; reference to Niklasson 2007)

To sum up, the collaboration atmosphere was built up through a combination of new knowledge and insightful people. However, the ignition spark consisted of a few traumatic failures. It is also of relevance that there were fewer obstacles than in other counties. High-level key persons with a negative attitude are often enough to stop a driving force.

Experiencing Östsam

By the turn of the century, collaboration was firmly established, and it was natural for the municipalities and the county council to constitute the Regional Council of Östsam. An experiment with different models for regional development responsibility had been going on in Skåne, Västra Götaland, Kalmar and Gotland. In 2002, the Swedish government decided to open up the “Kalmar model” for other counties to try. Östergötland was one of the first counties to implement the new model. The responsibility was transferred from the national state level to the regional level, and some national means went along. At the same time, some reponsibilities were transferred from the county council to the regional council, e.g. the political coordination of public transportation.
The constellation of a regional council basically means that a comparatively small office is installed. The office has the function of a resource for surveys and studies as well as a coordinator of the development activities in the county. Furthermore, the council meetings become an arena for local and regional politicians, where they can discuss general, common issues. Many specific fields of interest are still the responsibility of the municipalities and authorities, and/or within the frames of EU programmes in the county. In some cases, special project organizations can be set up, such as the East Link Company. For Östsam, taking the lead is about convincing by virtue of its capability.

Many people testify to the extensive and long-term work of Östsam. The organization has constantly been presenting knowledge and research results, and arranging seminars with the county politicians. An analytical leadership is one way of putting it: the challenges that the county faces are put together into a common picture, and possible ways to solve them are explored together. However, there are also examples of how Östsam, as an arena, has contributed to “untying knots” between politicians. Deepening personal relations and trust turned out to be imperative. By bringing together leading politicians and forcing them to discuss with each other, common solutions are easier to find. In a more solemn way, it could be described as a sort of deliberative democracy on the regional level.

There are many issues to analyze, but in a wider perspective, the making of the concept “The fourth big city region” is one of the main successes. The battleaxe was not only buried, but the bigger municipalities were also able to build a common front. Together, it is possible to redraw the map so that Sweden consists of four big city regions instead of three. In the long run, it is realistic to picture a united Östra Götaland County, ie the southernmost one-third of Sweden, competing with both Västra Götaland County and Stockholm. It needs to be discussed which other counties should be included, but it becomes clear where such a new county has its powerhouse.

Norrköping and Linköping took big steps towards closer cooperation, e.g. holding municipal board meetings and creating common layout plans. It has been more difficult to find common solutions
in other fields, like health care. The qualified services were about to be concentrated to the university hospital in Linköping, but a local opinion worked hard for a new hospital to be built in Norrköping. The quandary of this is, that while some services become more accessible, other services are not accessible at all in the county.

It should be noted that the Swedish government was involved in creating the concept of the fourth big city region. A study of how important the big city regions are to growth was initiated. Norrköping and Linköping participated and thus, obtained support in order to develop their cooperation. The government and the EU have also contributed by financing development projects in the county.

The followers of a strong regional development responsibility are doubtless in favour of the model chosen in Skåne and Västra Götaland. It is stronger and more robust by virtue of its directly elected council and its right to levy taxes. It is widely considered a logical step to unify Östham and the county council, even if there are risks of a small organization merging with a bigger one, especially when the small one is analytical, and the big one is operational. To put it short, the risk is that the health care perspective of the county council becomes dominant, and the development issues, that the municipalities and Östham are interested in, end up on the backburner.

At the same time, the differences of opinion in 2012 show that there are still different points of view when it comes to which way to go. Apparently, there is a hesitation about the strategies of Östham, since the municipality of Norrköping prefers the responsibility for regional development to be brought back to the government. Furthermore, Norrköping is the municipality closest to Stockholm. The development that culminated in the East Link is not a straight, ascending curve, which might be the impression if only looking at the big achievements.

Conclusions

Many things can be learned from the example of Östergötland. One is that it is possible to develop the regional cooperation to a very large extent. Another one is that there will always be different opinions, and that it is crucial to find ways to deal with that, and adjust to new circumstances.
Knowledge, and building it up, is an indispensable tool, both to make wise decisions, and to rouse public opinion and create legitimacy. Many organizations have tools and are responsible for different problems. Therefore, it is important to recognize mutual needs, both within the region and with outside partners, e.g. national authorities in Stockholm. That takes time and requires driving forces, interested directors and perseverance.

Looking at it from an international perspective, it might be added that is a good starting-point that independent authorities and municipalities have much of the responsibility. The question of who is responsible is still somewhat unanswered. One example is the decision about infrastructure, which would be more effective if planning and financing were managed on the same level. Instead, regional wish lists are made for the national authorities to handle. The regional politics include priorities for infrastructure, but it is the Swedish parliament that decides about it.

Citizens should be able to earn a higher grade of influence in other areas. E.g. further education could be organized by setting up individual knowledge accounts rather than giving allowances to the providers. The Swedish parliament decided about such a model in the beginning of 2000, but it was never implemented by the government at the time.

The example of Östsam shows the importance of an institutional structure. A regional shouldering of responsibility can pave the way for development activities. However, an institutional structure is not enough to create conditions for cooperation and growth. Good ideas and driving forces on all levels are necessary as well as support from the national government. Such national support is especially important when the organization, as in the case of Östsam, is not elected directly by the citizens in the region nor has the right to levy taxes. Instead, it has to push the development issues without its own “economic muscles”.
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