

The Impact of EU Cohesion Policy in Sweden

Chances and Challenges

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Abstract

The paper identifies the effects of the adoption of EU cohesion policy in Sweden, namely a significant involvement of subnational actors within designing and implementing the policy, a stimulated activity of regional authorities, a relationship between the different administrative levels mainly characterised by cooperation and dialogue and the increasing importance of flexible, inclusive, network-like arrangements for collaboration in Sweden. Swedish regions make increasingly use of opportunities provided by the Structural Funds, not just in terms of funding, but also of gaining experiences and competences, though differences among the counties and municipalities exist. The study concludes by confirming several assumptions of the theoretical concept of an emerging system of Multi-level Governance, which, to some extent offers a suitable metaphor for the case of cohesion policy in Sweden.

Key words: Cohesion Policy, Regional Policy, Sweden, Structural Funds, Subnational level, Multi-level Governance

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1 Introduction

...I see in it the inspiration needed to reconcile what appears to many as irreconcilable: the emergence of a united Europe and fidelity to our nation, to our motherland; the need for a European power, commensurate with the problems of our times, and the vital imperative of preserving our nations and our regions, as a place in which to nurture our roots; the decentralized organization of responsibilities, in order never to entrust to a bigger structure what can be better implemented by a smaller one.¹

With these words – advocating the principle of subsidiarity – Jacques Delors put forth his vision of a European Community that assigns responsibility to structures at different levels, to exploit the full potential of Europe – especially that of its regions.

One mechanism to bring the regional level of the European Union (EU) into focus and to make use of its expertise and capacities was to establish a policy, which promotes regional growth and at the same time encourages local and regional actors to take an active part in shaping and implementing EU policies and programmes. The thesis at hand will examine the impact of this policy, the EU cohesion policy, on Sweden and, more precisely, on its subnational level. To which degree are Swedish municipalities and counties involved in designing and realising the policy? Did they benefit from opportunities the policy provides? Or did the policy rather pose challenges to the subnational level or the territorial relations of the country? Does it increase tensions with the central government? Or does it equip Swedish cities and regions with further resources? To be able to answer these questions, a detailed analysis of practices and actor constellations with regard to the adoption of cohesion policy in Sweden shall be conducted.

According to existing theoretical concepts, the features characterising cohesion policy, together with other institutional and political arrangements, promote subnational involvement and mobilisation across Europe and result in an emerging system of Multi-level Governance. Authority is increasingly dispersed to levels beyond and below the

¹ Delors, Jacques *A Necessary Union* (1989) imprinted in Nelsen, Brent – Stubb, Alexander *The European Union: Readings on the Theory and Practice of European Integration* (2003) p. 56.

central state level. New forms of organisation and cooperation blur traditional hierarchies and are distinguished by a network-like structure, in which actors of different horizontal and vertical levels come together in a flexible, open setting. Subnational actors are thereby likely to increase their activity and strive for further resources and influence, which, in turn, affects territorial relations within EU member states.

Departing from these assumptions, the analysis of the Swedish case shall increase the understanding of the impact of cohesion policy, how potential challenges and chances emanating from it have been translated in Sweden and finally to assess to which extent theoretical hypotheses mentioned above hold true for the case of Sweden, i.e. if signs of a system of Multi-level Governance are apparent in the Scandinavian country.

1.1 Thesis Structure

After explaining general facts of EU cohesion policy, which will contribute to the understanding of later reflections, a short overview of existing literature on EU cohesion policy and impacts of European integration on Sweden's regions will be presented. Part three will elaborate on the methodological approach of a case study, motivate the choice of Sweden as the single case to be studied and discuss the material, which will be made up by secondary sources like academic literature and primary sources like publications of Swedish regional and state authorities as well as interviews with relevant stakeholders of cohesion policy in Sweden. Further on, the theoretical concept of Multi-level Governance and related thoughts on dispersed sovereignty and subnational activity will be outlined in more detail. After shortly summarising the composition of the Structural Funds in Sweden, the actual impact of cohesion policy on the subnational level of Sweden will be analysed in several steps. An investigation on the formal and informal involvement of local and regional actors in designing and implementing programmes within the framework of EU Structural Funds will be followed by further considerations of the cohesion policy's effects on the Scandinavian country. The potential of stimulating activity of subnational actors will be examined just as well as the consequences the structural funding process might have entailed for the territorial relations in Sweden. In concluding remarks of chapter six, the applicability of the

theoretical assumptions outlined in part four will be assessed and the question of visible signs of Multi-level Governance in handling EU cohesion policy in Sweden will be answered.

1.2 EU Cohesion Policy – Convergence, Growth and Competitiveness

Many EU policies and programmes are aiming at institutions, companies or other organisations in European cities and regions. Common efforts related to employment or infrastructure contribute to regional development, as do funding opportunities like the EU's Framework programme, for instance, which supports research activities, including cooperation of enterprises or institutes based in different European areas. Even if all these means can be understood as the Union's 'regional policy', this thesis will focus solely on the system and instruments of EU cohesion policy.

The EU cohesion policy accounts for a third of the EU's budget and thereby represents the second biggest share, just behind the Common Agriculture Policy. It was set up to decrease the disparities among European regions and to further economic, social and territorial cohesion in the Community. The policy's main instruments are the Structural Funds, of which the European Regional Development Fund (ERDF) and European Social Fund (ESF) are of most importance. Another mechanism, the so called Community Initiatives, *inter alia* intended to support territorial cooperation among European regions, transnationally and especially across borders. In this respect, the Interreg programme has become a synonym for interregional cooperation in Europe and might be the best known EU instrument directed towards regions.

The year 1988 represents an important turning point for the policy field. Besides a significant increase of its budget, a reform of the allocation of the spending and the procedures for the planning and implementation of the programmes had an impact on the member states beyond the mere spending effects. It introduced new principles, namely those of partnership, multi-annual programmes, consistency with other policies,

additionality,² and the concentration of certain objectives, according to which the regions are categorised.³ The partnership principle can be seen as particularly relevant, since it demands a close collaboration of the European Commission, the central government and subnational actors of the member states during the set up and realisation of the programmes. Apart from attempting to make the funds more efficient and better coordinated,⁴ the partnership principle has the explicit purpose of involving subnational authorities substantially, even those that have a rather negligible role in the respective member state.⁵ Relying increasingly on knowledge and expertise of local and regional authorities and private organisations was, furthermore, expected to enhance the funds' success and suitability, on the one hand and their legitimacy or 'democratic value' through proximity to the citizens, on the other.⁶

During the last two decades the policy underwent several changes, though all attempts to renationalise it completely were unsuccessful.⁷ There have been alterations of the policy's strategic orientation and structure, however. Competition instead of convergence has become a favoured goal by the European Commission.⁸ Furthermore, the transnational dimension of the funds has been promoted, since territorial cooperation is nowadays one of three main objectives, funded through the ERDF and administrated according to its rules instead of those of the Community Initiatives.⁹ The outline of the process from planning to realisation of the programmes has been adjusted, too, although the general procedure remains the same since the 1988 reform. The negotiations between the national governments about the overall structure and especially about the scope of funding allocated to each country, is followed by a phase of setting national priorities with regard to the content and regions to be funded. The

² The additionality principle requires European funding to be equalled by national funding to ensure that European funding does not replace national one.

³ Cf. Wishdale, Fiona *EU Cohesion Policy: Facts, Figures, and Issues* (1996) p. 33.

⁴ Cf. Bailey, David – De Propris, Lisa *The 1988 reform of the European Structural Funds* (2002) p. 415.

⁵ Hooghe, Liesbet *Introduction: Reconciling EU-Wide Policy and National Diversity* (1996) p. 2.

⁶ Borrás-Alomar, Susana et. al. *Towards a 'Europe of the Regions'?* (1994) p. 34.

⁷ Cf. for example Marks, Gary *Exploring and Explaining Variation in EU Cohesion Policy* (1996) p. 393ff.

⁸ Vanolo, Alberto *European Spatial Planning Between Competitiveness and Territorial Cohesion* (2010).

⁹ Territorial Cooperation also gained importance in monetary terms. While in the first period of 1989-1993 the Community Initiatives in total accounted for not even 1% of the whole structural funding, the new ERDF Objective 'Territorial Cooperation' makes up 4% of the whole cohesion policy funding.

final phase is called ‘structural programming’ and describes the stages of implementation of the programmes, including monitoring and evaluation.¹⁰

While the cohesion policy’s main goal is to promote economic growth to see a gradual convergence of the living standards in European regions, it has some additional intentional agendas. It potentially increases the ‘European perspective’ for actors involved, especially through transnational cooperation between actors, possibly bringing Europe closer together as the policy is also a sign of solidarity among European countries and regions. It attempts to further legitimisation of EU politics as it involves authorities closer to the European citizens than national governments and can increase the EU’s visibility in a very positive way (see figure 1.1.). Moreover, the structure and rules for Structural Fund programmes promote the cooperation between private and public actors.¹¹ In many respects, cohesion policy is an “unusual European policy”,¹² as it emerged from being a side-payment to countries fearing disadvantages from the realisation of the internal market to an important redistributive policy adding another dimension to European integration by its innovative and courageous attempt to create closer cooperation between supranational, national and subnational actors to a remarkable extent.



Fig. 1.1., Malmö City Tunnel, co-financed by an EU programme for infrastructure projects.

¹⁰ For a detailed outline of the phases see Marks, Gary *Exploring and Explaining Variation in EU Cohesion Policy* (1996).

¹¹ Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001) p. 106.

¹² Hooghe, Liesbet *Building a Europe with the Regions* (1996) p. 120.

2 Literature Overview

Publications like Evan's *EU Regional Policy* or Bachtler and Turok's *The Coherence of EU Regional Policy* cover factual information about the historical development and structure of this policy area and provide insights into the single funds and their respective importance.¹³ The technical nature of the policy field is reflected in many of the research published on it, i.e. rather descriptive than critical views on it dominate the discourse. Nonetheless, controversial themes like the question of enhanced democracy and legitimacy through an empowerment of the regions have been part of many publications as well.¹⁴ While the innovative and novel character of cohesion policy – introducing a new aspect of European integration – represented the main theme of the 'early' literature of the late 1980s until the mid 1990s, later research was largely occupied with assessing the success and effects of the EU's structural policy. Tarschys, for instance, draws attention to the limited convergence of wealth and performance between the European regions, raising questions about the efficiency of the policy and the potential future focus of regional policy.¹⁵

Since the beginning of the new century, new trends and debates found their way into the scientific discourse. Especially the launch of the Lisbon Strategy in 2000 added a new emphasis to regional policy by promoting competitiveness and a knowledge based society as crucial objectives for further European integration. In more recent publications, therefore, the question of compatibility of goals like cohesion and competition was increasingly raised.¹⁶ A potential shift in EU regional policy priorities from reducing disparities to the support of growth opportunities, especially in urban areas, which would trigger an effect of trickle down to more rural areas is envisaged by

¹³ Evans, Andrew *EU Regional Policy* (2005), Bachtler, John – Turok, Ivan *The Coherence of EU Regional Policy* (1997).

¹⁴ Cf. for example Borrás-Alomar, Susana et. al. *Towards a 'Europe of the Regions'?* (1994).

¹⁵ Tarschys, Daniel *Reinventing Cohesion*. (2003).

¹⁶ Sharp, M. *Competitiveness and Cohesion-are the two compatible?* (1998), Vanolo, Alberto *European Spatial Planning Between Competitiveness and Territorial Cohesion* (2010), Wisdale, Fiona *Competition and Cohesion - Coherence or Conflict?* (2008).

some researchers as well.¹⁷ This is especially remarkable when thinking of the original goal of regional policy to address less developed, particularly peripheral areas, helping them to catch up or to solve their problems caused by disadvantageous industrial structures. A new orientation of regional policy emphasising innovation, clustering of businesses and knowledge, promoting favourable conditions for investments etc. is particularly debated vis-à-vis the upcoming budget negotiations for the new multi-annual framework period starting in 2014.¹⁸

Within existing research on effects of European integration on Sweden's regional level, much effort has been spent on looking at changes within Sweden's territorial system since EU accession, especially from an angle of Europeanisation, i.e. domestic change triggered by dynamics at the European level. Stegmann Mccallion has written about tendencies of decentralisation in Sweden and the experiment project launched in the mid-1990s, which transferred responsibilities from the central level to the authorities of 'pilot regions' and which explicitly aimed at a more self-governed regional development policy.¹⁹ While Stegmann Mccallion focuses on regionalisation processes as being triggered by the EU membership and, in particular, by the partnership principle of the EU Structural Funds, Feltenius adds other possible explanations to this view.²⁰ He also mentions contrasting processes of centralisation which were caused by concerns about the maintenance of the equality principle in Swedish welfare state provisions once the regions gain more autonomy in service supply. Blomqvist and Bergman seem to take a similar stance when they raise the question whether the stronger regions undermine the traditional role of the local level of Sweden by weakening the degree of sub-national democracy.²¹ The regional experiment has also been subject of a series of publications titled *Skåne and Kalmar. Regionalisation and Multi-level Democracy*

¹⁷ Cf. Jensen, Ole B. – Richardson, Tim *Constructing a Transnational Mobility Region*. (2004).

¹⁸ Cf. Euractiv <http://www.euractiv.com/en/regional-policy/eu-cohesion-policy-2014-2020-linksossier-501653>, 20 May 2011.

¹⁹ Stegmann Mccallion, Malin *Multi-Level Governance in Sweden?* (2007).

²⁰ Feltenius, David *Relations Between Central and Local Government in Sweden During the 1990s* (2007).

²¹ Blomqvist, Paula – Bergman, Patrick *Regionalisation Nordic Style: Will Regions in Sweden Threaten Local Democracy?* (2010).

wherein several essays also deal with bargaining power of Swedish regions with regard to acquiring EU funding.²²

In general, the cohesion policy and the implementation of the EU Structural Funds in Sweden were seldom subject of extensive studies. Compilations like Dosenrode and Halkier's *Nordic Regions and the European Union* and Jerneck and Gidlund's *Local and Regional Governance in Europe*, in which the impact of European integration on local and regional actors in Europe's North is analysed in-depth, mention the Structural Funds as one factor leading to changes in regions' capacities or influence and rather look at Europeanisation and Internationalisation as a whole.²³ They do, however, elaborate on themes like the cross-border Öresund region between Sweden and Denmark, to which EU funding contributed and, furthermore, on differences among regions with regard to successfully lobbying for funding or establishing interregional cooperation.²⁴

Moreover, within the book *Cohesion Policy and the European Integration: Building Multi-level Governance*, a number of scholars intensively discuss the hypothesis of EU Cohesion Policy having contributed to an emerging system of Multi-level Governance and analyse the extent to which actors from the subnational level are involved throughout the structural funding process in different EU member states. Unfortunately, most studies like this were conducted before Sweden even entered the Union and the focus is often rather on member states that might play a bigger role within cohesion policy. Some existing publications, however, draw on emerging tendencies in Sweden towards partnership and governance principles, strongly inspired by the EU Structural Funds.²⁵

²² Cf. Fernandez, Christian *The Bargaining Region* (1998) and Sivberg, Anna-Karin *A New Policy Style?* (1999).

²³ Dosenrode, Søren – Halkier, Henrik *The Nordic Regions and the European Union* (2004) and Gidlund, Janerik – Jerneck, Magnus (eds.) *Local and Regional Government. Evidence from Nordic Regions*.

²⁴ Cf. Jerneck, Magnus *East meets West* (2000), Jensen, Ole B. – Richardson, Tim *Constructing a Transnational Mobility Region. On the Öresund Region and Its Role in the New European Union Spatial Policy* (2004), Lein-Mathiesen, Jørn *Nordic Regional Lobbying in Brussels* (2004).

²⁵ Cf. Bache, Ian – Olsson, Jan *Legitimacy through Partnership? EU Policy Diffusion in Britain and Sweden* (2001) and Svensson, Bo – Östhol, *From Government to Governance: Regional Partnerships in Sweden* (2001).

Hence, it becomes obvious that there is a lack of research dealing explicitly with the cohesion policy in Sweden and the direct and indirect impact EU Structural Funds have on the subnational level of Sweden and its relation to the central government level. The thesis at hand will try to fill this gap within the boundaries of possibility.

3 From Theory to Concrete Findings

As it will be presented in more detail below, the thesis will take theoretical concepts related to the idea of a system of Multi-level Governance as a point of departure and apply them to the selected case of cohesion policy in Sweden. The study aims at transcending the mere purpose of testing the applicability of theory or theoretical assumptions to the case in question to refine them by drawing on the observations and conclusions emanating from the analysis of relevant material.²⁶ The latter will be represented by a combination of interviews, conducted with stakeholders of EU cohesion policy and primary and secondary sources like publications and websites of the organisations involved in Structural Fund issues as well as academic literature on cohesion policy in Sweden.

To reach feasible results, the thesis at hand will employ a qualitative methodological approach, since it allows *inter alia* to “explain how people attach meanings to events and learn to see events from multiple perspectives.”²⁷ For the case in question, it might rather be a certain instance than an event that will be analysed from different angles and especially viewed through the eyes of people directly concerned with it. Neuman mentions that “qualitative researchers borrow ideas from the people they study or develop from new ideas as they examine a specific case in its context”.²⁸ In this respect, ideas and themes shall be identified from the material gathered about the Swedish case in order to make assumptions about the impact cohesion policy has on working procedures, constellations and relations of actors.

²⁶ Cf. Neuman, W. Lawrence *Social Research Methods: Qualitative and Quantitative Approaches* (2000) p. 145 and 419.

²⁷ Neuman, W. Lawrence *Social Research Methods: Qualitative and Quantitative Approaches* (2000) p. 144.

²⁸ *Ibid.* p. 145.

3.1 Research Strategy and Outline

In order to arrive at valid conclusions about the impact of EU cohesion policy on the subnational level of Sweden, the thesis will depart from existing theoretical concepts about the EU's impact on the subnational levels and the involvement of the latter within EU policies. The theoretical considerations will be applied to the case of EU structural funding in Sweden to assess to which extent they can claim validity for this particular case. Studying a specific case, i.e. a detailed examination of an aspect or instance of a class of events,²⁹ enables a researcher, furthermore, to identify causal mechanisms, generate knowledge or develop theory.³⁰

The research at hand does not necessarily represent a comprehensive case study, as defined by George and Bennett, for example. It does not attempt to exclude possible explanations for certain outcomes or test competing theories and may even neglect some aspects of the case to draw attention to those most significant for the study, due to time and space constraints. Nevertheless, George and Bennett mention that focussing on a specific angle or departing from a certain theory determines which data from the case are relevant for the researcher.³¹ In this respect, a limited, but qualified analysis of the Swedish implementation of EU cohesion policy, concentrating on aspects which are of most relevance for answering the research question, will still be likely to arrive at feasible results applying to the case in questions, possibly refining theoretical concepts and thereby allowing for further insights into the field. It might be difficult to classify the case study at hand in terms of its purpose, since it will both, assess the scope of established theory for the observations from the Swedish case, but will also be conducive to theory building, as each case study “contributes to the cumulative refinement of contingent generalisations on the conditions under which particular causal paths occur, and fills out the cells or types of a more comprehensive theory.”³² Case studies can also help to identify new hypotheses that were not foreseen by theory,³³ especially in combination with the employment of interviews, which can, furthermore,

²⁹ George, Alexander – Bennett, Andrew *Case Studies and Theory Development in the Social Science* (2005) p. 18.

³⁰ *Ibid.* p. 111

³¹ *Ibid.*

³² *Ibid.* p. 112.

³³ *Ibid.* p. 21.

help to find unexpected answers which lead to conclusions not anticipated, for example.³⁴

Several problems can appear by just choosing one case, however. A comparison of two or more cases is recommended to increase the validity of findings.³⁵ The comparison of the application of the Structural Funds in different countries as well as comparing the current implementation of EU funds to subnational involvement in national policies, especially policies supporting regional development, was, in fact, considered for the paper at hand. The former, however, would have required a huge amount of data, possibly exceeding the researcher's resources, while the question of the comparability would have remained. A country's practices regarding cohesion policy are, to a great extent determined by their constitutional, cultural, political and historical settings, and findings would have to be interpreted against this background, raising the question of the potential value of the results. Furthermore, the second option would have entailed problems of comparability as well, as the EU Structural Funds follow a rather innovative attempt in terms of their structure and administrative procedures, etc. which can hardly be compared to the level of decentralisation within national policy-making. Therefore, the analysis of Sweden's adoption of EU cohesion policy and the resulting impacts on the country's regional level will stand as a single-case study, which does have its benefits, too. It will still present a broad range of observations which will be related to the theoretical assumptions and assessed in terms of their further explanatory potential.

The validity and merit of the research is, moreover, closely related to the relevance of the case. The choice of the Swedish case was motivated by several conditions. As mentioned in part two, research on the implementation of EU Structural Funds is of limited nature so far. The political system and characteristics of the country, however, could be understood as both a challenge and facilitation to a successful adoption of cohesion policy. On the one hand, the tradition of an "integrative and consensual democracy", in which decisions are based on a broad consent of political parties, but

³⁴ Cf. Bryman, Alan *Social Research Methods* (2008) p. 437.

³⁵ Cf. George, Alexander – Bennett, Andrew *Case Studies and Theory Development in the Social Science* (2005) p. 18.

also interests of different groups of society, plays an important role.³⁶ On the other hand, it is a unitary state, even if endowing an essential principle of local self-government.³⁷ The regional level is rather weak and the central government used to influence and control the processes at the county level to a remarkable extent.³⁸ The task of both, municipalities and counties, moreover, can be understood as implementing state policies, rather than actively shape them. A third factor adding to the interest of researching cohesion policy in Sweden is represented by the regionalisation tendencies within the country noticeable since the 1990s. Within an experimental set up, three regions, namely Skåne, Västra Götaland and Kalmar have been established and equipped with competences exceeding those of the counties.³⁹ In a study of the cohesion policy's impact on European countries, Bache suggests that the corporatist approach of Swedish politics suits the cohesion policy's requirement of involving public and private actors, but the country's unitary structure creates a rather high degree of 'misfit' with the policy's demands of regional participation.⁴⁰ In relation to the analysis at hand, these three circumstances make different outcomes of implementing EU Structural Funds possible. In this respect, a detailed examination of the Swedish case can be seen as a feasible strategy to identify the actual effects of EU cohesion policy, whether challenging the Swedish system and values or rather "fitting" the traditional habits of inclusion, consensus and recent trends of regional emancipation.

By analysing existing academic literature as well as primary sources like statements on homepages and official publications, the practices of designing and implementing EU Structural Funds in Sweden will be displayed. Interviews conducted with people working with Structural Fund programmes or the political dimension of EU cohesion policy in Sweden shall supplement this information and will represent the main source for the analytical results. The findings drawn from the analysis will be used to build on the theoretical thoughts outlined before to potentially refine and advance them. The

³⁶ Miles, Lee *Sweden and European integration* (1997) p. 17ff.

³⁷ Cf. Olsson, Jan – Åström, Joachim *Sweden* (2004), p. 78f.

³⁸ Especially through the so called County Administrative Boards the central government controls the decision-making process at the regional level.

³⁹ Cf. Stegmann Mccallion, Malin, *Tidying Up? 'EU'ropean Regionalization and the Swedish 'Regional Mess* (2008).

⁴⁰ Bache, Ian *Europeanization and Multi-level Governance: Empirical Findings and Conceptual Challenges* (2008) p. 14.

conclusion drawn from the case at hand may, in turn, have validity for other similar cases or can present explanations for deviances from existing research.

3.2 Relevant Material

The analysis of primary and secondary sources shall help to identify recurring themes and cover perspectives of both, scholars who already contributed to the scientific debate on cohesion policy in the Scandinavian country and Swedish organisations concerned with EU structural funding. Information from the latter can be found *inter alia* on their respective websites and in their publications. Information from homepages do not, necessarily, achieve the same reliability or accurateness than other traditional sources. When analysing sources directly stemming from organisations and government institutions, information on their respective homepages cannot be completely ignored either, as they might be even more exhaustive, nowadays, than printed publications, for instance. Within official documents, the problem of displaying rather the desired than reality, i.e. potentially neglecting shortcomings, emphasising success of the organisation publishing it, should be taken into account.⁴¹

To outweigh some of these weaknesses and to be able to draw an authentic picture of the cohesion policy's impact in Sweden, interviews shall supplement the textual sources. Qualitative interviews are a feasible source of information that cannot or not exhaustively be found in other sources like literature or documents. They have the advantage of potentially revealing insights into issues which would not appear in official statements and finally, can be well adapted to the specific research question of the interviewer. Even more importantly, interviewees can be viewed as “meaning makers” rather than mere channels of additional data, as the purpose of qualitative interviews is rather to “derive interpretations, not facts or laws”.⁴² By employing interviews, in this respect, one can “generate data which give an authentic insight into

⁴¹ Cf. Bryman, Alan *Social Research Methods* (2008) p. 521.

⁴² Warren, Carol A. B. *Qualitative Interviews* (2001) p.83.

people's experiences",⁴³ and which help to interpret observations rather than just describing them.

The technique chosen for the thesis at hand is that of semi-structured interviews. It is characterised by employing a "list of questions or fairly specific topics to be covered, often referred to as an *interview guide*".⁴⁴ In contrast to structured and, in particular, quantitative interviews, semi-structured interviews allow a valuable amount of flexibility for the interviewer, who can change the order of questions or "can ask new questions that follow up interviewee's replies".⁴⁵ This allows the researcher to respond specifically to the statements and positions of his counterpart and the interviewee's point of view is much more in focus than in other interview forms.⁴⁶

Despite the possibility of being very flexible in how to arrange and phrase the questions, the interviewees were, by and large, asked the same or similar questions. However, in every interview, the questions were, to some extent, adapted to the specifics of the organisation represented by the interviewees. In preparation for the interviews, an interview guide with open-ended questions was set up and relatively strictly followed when talking to the experts. In some cases, questions that were not included in the interview guide, but seemed interesting in the context of previous answers, were additionally asked. The interviews were recorded and transcribed and appear in indirect and direct quotes within the analysis in an anonymous form – as agreed with the interviewees.

In total, four personal and one telephone interview were conducted, all between twenty and thirty minutes long. While personal interviews potentially allow for more information as the interviewer can also respond to body language of the interviewee,⁴⁷ the possibility of interviewing by telephone might make certain people 'accessible' for the interviewer, as it was the case for the thesis at hand. Following the aim of interviewing experts dealing with Structural Fund issues in Sweden, employees of

⁴³ Silverman, David *Interpreting Qualitative Data: Methods for Analyzing Talk, Text and Interaction* (1995) p. 91.

⁴⁴ Bryman, Alan, *Social Research Methods* (2008) p. 438.

⁴⁵ *Ibid.* p. 437.

⁴⁶ *Ibid.*

⁴⁷ Cf. *Ibid.* p. 457.

different authorities and organisations involved in regional development questions were contacted. All interviewees are directly working with matters of EU cohesion policy within their agency or for a body specifically dealing or managing funding from the EU Structural Funds. The statements referred to in the analysis, however, cannot be seen as official positions of each institution. The answers are rather personal views, which are, nevertheless, formed in the working context of each organisation and its tasks and in this respect particularly desired for the purpose of this thesis. The organisations represented by the interviewees are briefly outlined below:

Öresundsekretariatet – is the secretariat for the Interreg IV A programme which encompasses cross-border cooperation between the Danish region of Zealand and the Southern Swedish region Skåne. It serves as a counsellor and guide for potential applicants within the programme.⁴⁸ The programme secretariat has, furthermore, an important role of supporting the projects during their implementation, *inter alia* through seminars and similar activities.⁴⁹

Öresundskomiteen – is a political body made up by 18 Swedish and 18 Danish representatives of the municipalities and regions within the cross-border area of Sweden and Denmark which is divided by the Öresund.⁵⁰ The committee convenes twice a year to take decisions on priorities and activities of the region. A secretariat is implementing the decisions of the committee.⁵¹

Region Skåne – can be understood as the regional authority of the South of Sweden, dealing with matters of regional development like health, trade and industry development, the environment, promotion of investment, town and infrastructure planning, public transport and culture.⁵² *Region Skåne* is receiving Objective 2 funding (so called ‘Regional Competitiveness and Employment’ priority) as well

⁴⁸ Homepage Öresundsekretariatet <http://www.interreg-oks.eu/se/Menu/Om+programmet/Organisation/Programsekretariat>, 20 May 2011.

⁴⁹ *Ibid.*

⁵⁰ Homepage Öresundskomiteen <http://www.oresundskomiteen.dk/About--resundskomiteen/Organization>, 20 May 2011.

⁵¹ The respective interview was conducted with an employee of the secretariat, not a member of the Committee itself.

⁵² Homepage Region Skåne <http://www.skane.se/default.aspx?id=54721>, 20 May 2011.

as Objective 3 funding, i.e. money for territorial cooperation, which is spend on Skåne's participation within the Interreg IV A programme for the Öresund region and the South Baltic cooperation (including parts of Denmark, Germany, Poland and Lithuania).⁵³

Tillväxtverket – the Swedish Agency for Economic and Regional Growth is the managing authority for the Structural Funds in Sweden.⁵⁴ It is a state agency and governed by the Swedish ministry for Enterprise, Energy and Communication (*Näringsdepartementet*) and in this respect representing the central government level. It is divided into eight regional units, each of them responsible for one of the respective regional programmes for the Structural Funds.⁵⁵

Sveriges Kommuner och Landsting – is the Swedish Association of Local Authorities and Regions representing governmental, professional and employer-related interests of Sweden's 290 municipalities and 20 county councils and regions. As the Association puts it itself, it “strives to promote and strengthen local self-government and the development of regional and local democracy”.⁵⁶ As an interest organisation it is also involved in guarding local and regional interests regarding the EU cohesion policy.

The small amount of interviews the analysis will be based on might be rather problematic, since they just allow for a limited insight into the stakeholders' perspectives. This is due to constrains of resources and time of the research project, but partly also to difficulties in reaching desired interview partners. Moreover, the experts interviewed represent just a small geographical segment of Sweden, since apart from *Sveriges Kommuner och Landsting* all interviewees have a connection to and are located in the South of Sweden or the Öresund region. The North of Sweden, which receives most funding in the framework of the EU cohesion policy in Sweden, thus, is not represented directly in the analysis through an interview, but just by official information

⁵³ Homepage Region Skåne <http://www.skane.se/templates/Page.aspx?id=152625>, 20 May 2011.

⁵⁴ Tillväxtverket *Develop Sweden. The European Structural Funds in Sweden 2007–2013*, (2010) p. 51.

⁵⁵ The respective interview was conducted with an employee of the regional office for region Skåne-Blekinge.

⁵⁶ Homepage Sveriges Kommuner och Landsting http://english.skl.se/about_salar, 20 May 2011.

provided by the local authorities. The analysis will therefore specifically focus on Skåne and its different interregional cooperation, *inter alia* the Öresund region. Through the interviews of employees of *Tillväxtverket* and *Sveriges Kommuner och Landsting*, it should be, nevertheless, possible to draw several conclusions for the whole of Sweden.

4 Influence, Interaction and Interdependence in Europe

The processes of globalisation and European integration have clearly affected states', but also non-state actors' spheres of influence, how they interact with each other and their dependence on each others' resources. Many scholars have observed the dynamics within a rapidly changing Europe and developed theoretical concepts to explain processes and outcomes as well as to presume further tendencies about power relations, actor constellations and relevant factors influencing them. In the following, some of these ideas will be reflected on and put into relation to each other. The considerations outlined below emanate from the assumption of a dispersion of power, changes of institutional and procedural settings as well as of an increased interaction and interdependence between actors of different horizontal and vertical levels triggered by the processes of European integration.

4.1 A System of Multi-level Governance

Major integration theories like Functionalism or Liberal Intergovernmentalism tried both, to anticipate further development within the European Community and to explain the integration seen so far. The mid-range approach of Multi-level Governance, developed by Gary Marks and Liesbet Hooghe, however, maybe more than any other theoretical approach, responds to very specific trends and processes of European integration. The scholars observed how actors beyond and below the level of central governments gained importance, creating a European polity that is dispersed on multiple levels. By this assumption, Hooghe and Marks are challenging prevalent approaches that focus on the state as the ultimate decision-maker that is steering and controlling EU institutions and remains in full control over the citizens of its own territory. Within a system of Multi-level Governance that emerged in Europe, Hooghe

and Marks argue, the nation states' power is weakened by the activities of other actors, who influence and shape decisions beyond central governments' control.⁵⁷ They recognise, however, that the national governments are still the most important actors in EU policy making, but question their power monopoly vis-à-vis increasingly strong supranational and subnational actors.⁵⁸

The Multi-level Governance approach, one could argue, was the theoretical response to a political vision. While the late 1970s and especially the Single European Act of 1986 brought about a sharpening of the supranational character of the community by extending Qualified Majority Voting in the Council of Ministers, by introducing direct elections for the European Parliament and granting it more decision-making power, the actors below the state level were deliberately strengthened as well. Jacques Delors, the President of the European Commission at that time, put forth the idea of strengthening actors that are closer to the citizens than central governments, especially the regions in Europe and to embrace them in the policy-making processes at the EU level. The principle of subsidiarity and the Committee of the Regions, strongly advocated by Delors and introduced by the Maastricht Treaty, are two clear indicators for the new emphasis. Delors' vision also involved another important novelty, namely the reformed European regional policy, the so called cohesion policy. It was supposed to represent an *espace organisé* balancing the *espace libre* of the integrated market.⁵⁹ While the latter was characterised by deregulation and liberalisation, the cohesion policy was supposed to compensate inequalities originating from it by strengthening redistributive mechanisms in the Community. It is directly aiming at the European regions and after the 1988 reform, it also gave regional authorities a stronger position in shaping and implementing the policy. Especially this last development seemed to have motivated Marks and Hooghe to draw up their theoretical concept, as they constantly refer to cohesion policy as a catalyst for an emerging multi-level polity in Europe.⁶⁰

In the late 1980s, early 1990s, three aspects seemed to be reinforcing each other: The European Commission was more and more seeking ideas, opinions and expertise from

⁵⁷ Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001) p. 2ff.

⁵⁸ *Ibid.* p. 3.

⁵⁹ Hooghe, Liesbet *Introduction* (1996) p. 5.

⁶⁰ Cf. Hooghe, Liesbet *Cohesion Policy and European Integration: Building Multi-level Governance* (1996) and Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001).

subnational actors; politicians in Europe were looking for answers to the problems of a frequently discussed democratic deficit and the EU's remoteness to its citizens; and some regions demanded enhanced participation opportunities that would pay off their increasing implementation tasks of EU policies. Thus, while the European Community tried to encourage regional involvement, local and regional authorities clearly became more and more active on the European stage, not least by establishing direct channels to European institutions and organisations. To put it in Hooghe and Marks' words, "Subnational governments were discovering Europe at the same time that Europe, under the leadership of Jacques Delors, was discovering subnational governments."⁶¹

4.2 Contesting State Authority

An increased interaction between different levels potentially blurs the structures of the decision-making process. Even if the formal authority remains with the central governments, other actors' and institutions' power has slowly increased. By improving their position and importance in shaping agendas, influence decisions and even gaining formal competences the states' authority is contested. Especially the delegation of power to supranational institutions has impaired the EU member states' sovereignty and led to a partial loss of control over processes, but also decisions that directly affect the country's territory and people. The architecture of a multi-level polity, however, also "opened up opportunities for public and private interest of all kinds to enter the policymaking process, thus gently, almost imperceptibly, undermining state sovereignty."⁶² The regional authorities, for instance, nowadays have the choice between influencing processes through the government or through direct contacts to the Commission or European Parliament and in this respect "no longer have to channel all their demands through central authorities and are no longer only responsible to these authorities".⁶³ These connections are difficult for the central governments to control and add to the picture of European integration challenging the state's hegemony while apparently empowering many of the other actors involved. Even with regards to formal

⁶¹ Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001) p. 81.

⁶² Nelsen, Brent – Stubb, Alexander *The European Union: Readings on the Theory and Practice of European Integration* (2003) p. 282.

⁶³ Schmidt, Vivien A. *Democracy in Europe – The EU and National Politics* (2006) p. 67.

competences, “a deep and broad reallocation of authority from central states to regions in the European Union” can be observed, Hooghe and Marks say.⁶⁴ Jerneck, similarly, describes Europe as a space in which multiple polities are interacting with each other,

sometimes in the absence of a principle of hierarchical order, and even of a clear-cut division of functions. In this system the authority of the state is often diluted, in some cases even called in question. The combination of strong supranational institutions, cross-border networks, overlapping competences and shifting loyalties is typical of this condition.⁶⁵

This does not necessarily mean that hierarchy or state sovereignty is completely dissolved, but rather that hierarchical structures might be less visible or might be bypassed and that sovereignty is increasingly shared.⁶⁶ Jerneck draws attention to the possibility of multiple loyalties, not just towards the nation state but other spheres or authorities, which can, nevertheless, exist side by side.⁶⁷ In the same tenor, Hooghe and Marks conclude that the “the European Union is a multi-level polity with multiple identities”,⁶⁸ including local, regional and potentially a European identity. Apart from the chances this might implicate for the Union growing closer together as a community, it might also bring about new challenges for intra-state relations. Conflict and tensions might be one result of these changes of structures, competences and loyalties.⁶⁹

Hooghe and Marks conclude that even if national sovereignty is “in retreat”,⁷⁰ it is not directly challenged, as “states in the European Union are being melded into a multi-level polity by their leaders and actions of numerous subnational and supranational actors.”⁷¹ “[T]he nation state is not about to be replaced as the primary instrument of domestic and global governance. [...] Instead, [...] the nation state is being supplemented by other actors – private and third sector [...] in a more complex geography”, Keohane and Nye believe.⁷²

Nevertheless, it should be stressed that domestic and European political arenas cannot be separated anymore. The different levels are interconnected and the links between

⁶⁴ Hooghe, Liesbet – Marks, Gary *Contrasting Visions on Multi-level Governance* (2004) p. 23.

⁶⁵ Jerneck, Magnus *Introduction* (2000), p. 1.

⁶⁶ Jerneck, Magnus *Nordic Politics Viewed in a Changing Territorial Perspective* (2000) p. 30.

⁶⁷ *Ibid.* p. 20.

⁶⁸ Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001) p. 66.

⁶⁹ Jerneck, Magnus *Nordic Politics Viewed in a Changing Territorial Perspective* (2000) p. 15.

⁷⁰ Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001) p. 17.

⁷¹ *Ibid.* p. 27.

⁷² Keohane, Robert – Nye, Joseph *Introduction* (2000) p. 12.

them do not follow clear hierarchical structures.⁷³ Even if formal procedures and documents display a certain hierarchy, as the member states are the main decision makers through the Council and compose the treaties, in reality, decisions are shaped by national governments, European institutions as well as private actors and subnational governments interacting with each other in ways deviating from traditional structures. Therefore, one has to focus “on both formal and informal institutions to explain whether hierarchy, interdependence, or relative independence characterizes relationships”.⁷⁴

4.3 Evolving Networks

These informal institutions as well as interdependent relationships are especially visible in the phenomenon of networks and the change of structures of today’s policy-making. In the EU, “[t]he limits of competence and institutions are penetrated by informal policy networks consisting of politicians, national and international civil servants, experts, representatives of particular interests, subnational groups”, Jerneck explains.⁷⁵ Hooghe and Marks speak of “innovative, transnational patterns of interactions [that] have been established among actors at multiple levels of government”.⁷⁶ These patterns are characterised by interdependence rather than hierarchy and include state as well as non-state actors, as Peterson points out.⁷⁷ He developed a concept of policy networks that dominate EU politics more than any other arena and draws attention to the peculiar nature of mechanisms and stakeholders in EU politics. He emphasises how flexible and changing clusters of actors are shaping the agenda, without necessarily following exact procedures, but more by interacting, exchanging and influencing each other.⁷⁸ A great deal of trust is required for this kind of collaboration, which is, however, likely to be created by the exchange of resources and reliance on other actors’ knowledge and capacities.⁷⁹ This interdependence is also affecting the power relations of the network’s members, which might be more equal or, at least, not dominated by just one authority

⁷³ Cf. Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001) p. 4.

⁷⁴ Bache, Ian – Flinders, Matthew *Themes and Issues in Multi-level Governance* (2004) p. 5.

⁷⁵ Jerneck, Magnus *Nordic Politics Viewed in a Changing Territorial Perspective* (2000) p. 25f.

⁷⁶ Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001) p. 91.

⁷⁷ Peterson, John *Policy Networks* (2009) p. 105.

⁷⁸ *Ibid.*

⁷⁹ Cf. *Ibid.*, and Rhodes et. al. *Policy Networks and Policy-Making in the European Union* (1996) p. 368.

and possibly less static than in traditional forms of organisations.⁸⁰ Peterson argues that the EU is predestined for this open and dynamic system of governance, since it “relies heavily on assets and expertise held at the national level, including the private sector”.⁸¹ According to Rhodes *et al.*, the concept also “fits the analysis of multi-level governance where there is a high degree of resource dependence between several affected public and private institutions.”⁸² This is manifested, for instance, in the European Commission’s openness to interests groups, NGOs and other organisations that have a stake in EU policies. Furthermore, companies, trade unions and local and regional authorities increasingly organise in pan European organisations and represent their interests vis-à-vis the EU institutions and not necessarily national governments.⁸³

Hooghe points out, that especially cohesion policy “is becoming increasingly a matter for European, national, and subnational actors intermeshed through multiple policy networks in which the distinction between the three territorial levels of governance becomes blurred.”⁸⁴ She concludes that “[t]he politics of European cohesion policy reflects most closely what could be expected in a multi-level polity. There, policies are made through uneven, unequal, unstable relationships and a compound of cooperative and unilateral strategies.”⁸⁵ Similarly, Rhodes *et. al.* argue that the 1988 reform of cohesion policy led to a growth of a new policy networks while changing the EU’s policy process: “It created the conditions for policy networks and sought to shift power to local and regional governmental units. [...] Policy networks emerged, especially at the implementation stage. Regional actors did become more visible and active.”⁸⁶

⁸⁰ Cf. Rhodes *et. al.* *Policy Networks and Policy-Making in the European Union* (1996) p. 368.

⁸¹ Peterson, John *Policy Networks* (2009) p. 108.

⁸² Rhodes *et. al.* *Policy Networks and Policy-Making in the European Union* (1996) p. 382.

⁸³ Cf. *Ibid.*

⁸⁴ Hooghe, Liesbet *Building a Europe with the Regions* (1996) p. 121.

⁸⁵ *Ibid.* 122.

⁸⁶ Rhodes *et. al.* *Policy Networks and Policy-Making in the European Union* (1996) p. 385.

4.4 Stimulating Subnational Activity

This visibility and activism of subnational actors is also stressed by Hooghe and Marks when they point to the opportunities of mobilisation Multi-level Governance has created. While the supranational institutions were strengthened and the European Commission in particular became an active promoter of subnational actors' involvement by creating advisory committees and supporting the establishment of the Committee of the Regions and the Economic and Social Committee, subnational interests also seized the chance and became active themselves.⁸⁷ Especially regional governments have increased their presence at the EU level, form alliances with counterparts in other countries, follow EU legislation more closely and accumulate knowledge about the EU.⁸⁸

In the same vein, the Commission's set up of the cohesion policy and especially its reform in 1988 "grew out of an ambitious political project to bolster widespread subnational mobilization", as Hooghe argues.⁸⁹ The policy's partnership approach, which made the involvement of regional and local authorities conditional for funding, attempted to promote this mobilisation, which did not just lead to the extension of links between subnational actors and the Commission, but potentially altered the position of the former within the respective member state and "existing patterns of political control."⁹⁰ "[N]owhere has cohesion policy left territorial relations unaffected", Hooghe says.⁹¹ Since the 1980s, Marks and Hooghe point out, no member state has become more centralised, "while half have decentralized authority to a regional tier of government".⁹² Tendencies of regionalisation have also been observed by other scholars who understand Europeanisation and regionalisation as interrelated forces.⁹³ Similarly, Jerneck argues that, while "regional mobilisation confirms the trend of a weakening of the state", it reinforces European integration at the same time.⁹⁴ Even if territorial

⁸⁷ Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001) p. 15f.

⁸⁸ Cf. Ström, Lars-Inge *Swedish Municipalities in the European Union* (2000).

⁸⁹ Hooghe, Liesbet *Building a Europe with the Regions* (1996) p. 120.

⁹⁰ Hooghe, Liesbet *Introduction* (1996) p. 12.

⁹¹ Hooghe, Liesbet *Building a Europe with the Regions* (1996) p. 121.

⁹² Hooghe, Liesbet – Marks, Gary *Contrasting Visions of Multi-Level Governance* (2004) p. 15 and

Hooghe, Liesbet – Marks, Gary *Multi-level Governance and European Integration* (2001) p. 193.

⁹³ Olsson, Jan – Åström, Joachim *Sweden* (2004) p. 88.

⁹⁴ Jerneck, Magnus *Nordic Politics Viewed in a Changing Territorial Perspective* (2000) p. 29.

relations might not be changed fundamentally, Europeanisation can potentially lead to a more symmetrical relationship between national and subnational level and increased resources for the latter.⁹⁵

In general, European integration has increased the scope for subnational activity and created windows of opportunities, which local and regional authorities need to be able to use for their own goals and interests.⁹⁶ “Offensive, pro-active strategies, often within the frame of extensive international or supranational co-operation, are in principle becoming necessary for the effective protection and reinforcement of the capacity for self-defence,” Jerneck explains.⁹⁷ Olsson and Åström, similarly, point to the “need for regional engagement and activity in order to make use of the opportunities that the EU offers.”⁹⁸ Jeffery furthermore suggests, that “[e]ffective administrative adaptation, leadership, and coalition-building strategies in response to the challenges posed by European integration are likely to improve the prospects for influencing European decision-making.”⁹⁹ Sivberg uses the suitable metaphor of knowing how to ‘bake the cake’, i.e. to offer alternative solutions to the government to improve one’s position vis-à-vis the latter.¹⁰⁰ A region will thereby be more successful if it is able to cope with new structures, is flexible and innovative, especially when it comes to suggesting solutions.¹⁰¹ Fernandez points to the importance of a region’s commitment to achieve its goals that stems “from a superior willingness, and also ability, to devote an enormous amount of time and resources on a specific issue.”¹⁰² Hence, beside the top-down encouragement by the Commission, initiatives evolving directly from the local levels are important as well. Coping with new situations, especially with practices and requirements common at the EU level and actively looking for partners with similar concerns or problems will be decisive for a region’s success, in particular with regard to EU structural funding opportunities.

⁹⁵ Cf. Dosenrode, Søren – Halkier, Henrik *Conclusion* (2004) p. 205.

⁹⁶ Cf. Klausen, Kurt Klaudi *Conflict and Harmony in the Internationalisation of Danish Local Governments* (2000) p. 46 and Johansson, Jörgen *Regionalisation in Sweden* (2000) p. 125.

⁹⁷ Jerneck, Magnus *Nordic Politics Viewed in a Changing Territorial Perspective* (2000) p. 23.

⁹⁸ Olsson, Jan – Åström, Joachim *Sweden* (2004) p. 87.

⁹⁹ Jeffery, Charlie *Sub-National Mobilization and European Integration: Does it make Any Difference?* (2000) p. 14.

¹⁰⁰ Sivberg, Anna-Karin *A New Policy Style?* (1999) p. 49.

¹⁰¹ Cf. *Ibid.*

¹⁰² Fernandez, Christian *The Bargaining Region* (1998) p. 44.

Peters and Pierre, nevertheless, point to the problem of unequal opportunities of participation and influence in a multi-level polity, in which it is rather the power of the “well-organized” than a general empowerment of subnational actors that can be observed.¹⁰³ In the same tenor, Hooghe and Marks themselves call attention to variations in the involvement of regional governments at the different stages of cohesion policy as well as in subnational mobilisation.¹⁰⁴ In member states with already quite decentralised structures, subnational authorities receive more opportunities to engage, while in rather unitary states, the central government remains in control of wide parts of handling the Structural Funds.¹⁰⁵ Thus, existing resources of local and regional authorities predetermine to which extent the partnership principle is adopted.¹⁰⁶ Nevertheless, as mentioned above, even in very centralised states like Greece or Ireland, pressures stemming from cohesion policy have led to adaptations of territorial structures.¹⁰⁷ This is related to another argument Hooghe and Marks make, namely, that the potential for change is bigger in countries with traditionally weaker regional levels.¹⁰⁸ This, in turn, is a crucial assumption with regard to the transformations in Sweden, triggered by the EU cohesion policy, since, as mentioned in part 3.1., it can be categorised as unitary state with a weak regional level.

4.5 Critical Considerations

The specificity of the Multi-level Governance approach of responding to explicit events within the EU represents one of its shortcomings. Scholars often criticise the very descriptive nature of the concept and its inability to predict developments.¹⁰⁹ For the purpose of this thesis, however, Multi-level Governance presents a reasonable point of departure, since its validity for processes originating from cohesion policy has rarely been challenged. Another problem, also outlined by Peters and Pierre, is the dilemma of a potential ‘Faustian bargain’ related to Multi-level Governance. The advantages of

¹⁰³ Peters, B. Guy – Pierre, Jon *Governance Approaches* (2009) p. 96.

¹⁰⁴ Marks, Gary *Exploring and Explaining Variation in EU Cohesion Policy* (1996).

¹⁰⁵ Cf. *Ibid.* and Bache, Ian *Multi-level Governance and European Union Regional Policy* (2004).

¹⁰⁶ Hooghe, Liesbet *Introduction* (1996) p. 19.

¹⁰⁷ Marks, Gary *Exploring and Explaining Variation in EU Cohesion Policy* (1996) p. 414f.

¹⁰⁸ Hooghe, Liesbet *Introduction* (1996) p. 14.

¹⁰⁹ Cf. Peters, B. Guy – Pierre, Jon *Multi-level Governance and Democracy: A Faustian Bargain?* (2004) p. 88.

networks and informal processes characterising this system, as outlined above, might be stressed too much while neglecting their potential drawbacks.¹¹⁰ The dispersion of policy-making across multi levels could, for example, lead to a blurring of responsibilities, and, accordingly, make it difficult to hold someone accountable for certain decisions. The partnership principle of cohesion policy potentially reduces transparency and clear distinction between organisations' tasks by involving many different actors, public as well as private. Additionally, the legitimacy of the participating actors could be called into question as their mandate or a legal basis for their power to make decisions might be insufficient, but also difficult to control.

Following the features of Multi-level Governance identified above, this thesis will specifically focus on how cohesion policy affected Sweden in terms of

- involvement of subnational actors within the structural funding process,
- signs of subnational activity,
- signs of flexible and network-like forms of organisation and
- effects on territorial relations.

¹¹⁰ Peters, B. Guy – Pierre, Jon *Multi-level Governance and Democracy: A Faustian Bargain?* (2004) p. 76.

5 EU Cohesion Policy in Sweden – Chances and Challenges

When Sweden entered the European Union, it became subject to the cohesion policy and its working principles like all other member states. Together with Finland, it successfully introduced a new objective area within the Structural Funds system that covers sparsely populated regions, which applies to the North of both countries. Up until now, most funding allocated for Swedish regions is spent on the North, yet all areas of the Scandinavian country are eligible for some kind of funding from the Structural Funds. Since the current programme period (2007-2013), all Swedish regions are receiving funding within Objective 2, ‘Regional Competitiveness and Employment’. The two maps below show the difference between the current (figure 5.2.) and the preceding funding period (figure 5.1.).

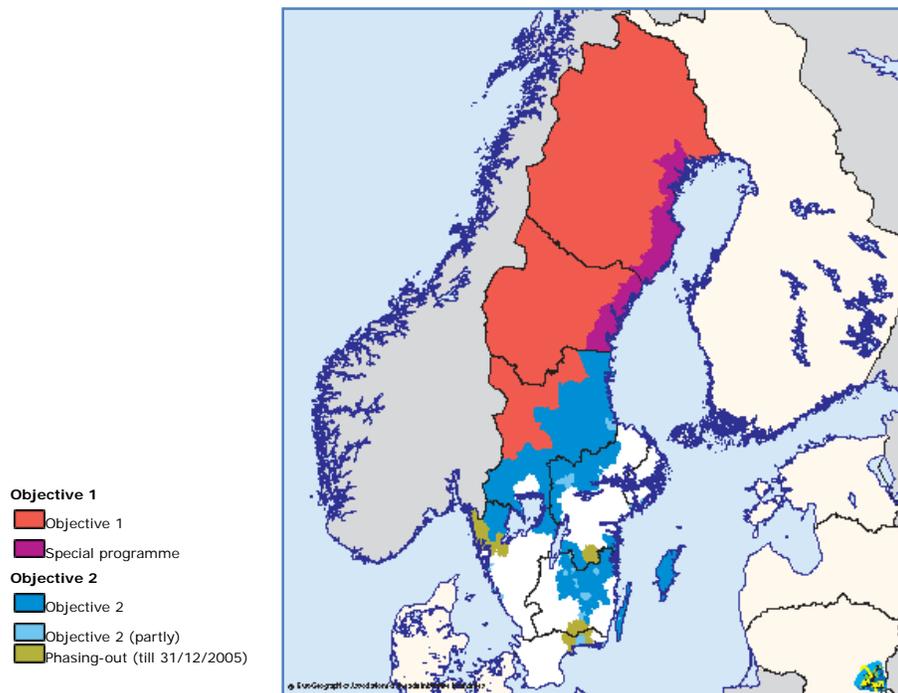


Fig. 5.1., “Structural Funds 2000-2006 : Areas eligible under Objectives 1 and 2”, European Commission¹¹¹

¹¹¹ Homepage European Commission:
http://ec.europa.eu/regional_policy/atlas/sweden/maps/pdf/map_se_en.pdf, 20 May 2011.



Fig. 5.2., “Cohesion Policy 2007-2013: Sverige: Eligible areas under the Regional Competitiveness and Employment Objective”, European Commission¹¹²

It becomes obvious that the North of Sweden and parts of Mid Sweden lost its status as ‘Convergence’ regions (Objective 1),¹¹³ which are the most favoured within EU regional policy. Furthermore, regions in the West and South of Sweden are now receiving funding under Objective 2, which they did not before. This can be understood as mainly due to the approach of granting all Swedish regions the possibility of EU regional funding,¹¹⁴ and the more general shift in cohesion policy towards increasingly supporting growth areas as a means of triggering competitiveness and spill-over effects. The north of Sweden, nevertheless, still receives considerably more funding than any other region of the Scandinavian country.¹¹⁵ Thus, regions in Sweden are presently receiving money under the mentioned Objective 2 as well as under the Objective ‘Territorial Cooperation’ which encompasses programmes of cross-border, transnational and interregional cooperation.

¹¹² Homepage European Commission, Inforegio: http://ec.europa.eu/regional_policy/atlas2007/sweden/index_en.htm, 20 May 2011.

¹¹³ The Objective applying to the North of Sweden and Finland were initially called Objective 6, since they fulfilled different criteria than the already existing Objective 1 regions. They still belonged to the ‘convergence’ Objective, however.

¹¹⁴ Cf. Sveriges Kommuner och Landsting *A Cohesion Policy for the Whole Union* (2003) p. 8.

¹¹⁵ Näringsdepartementet *A National Strategy for Regional Competitiveness, Entrepreneurship and Employment 2007-2013* (2007) p. 36f.

5.1 Involving the Regions – Evidence of Partnership and Dialogue

The European Commission has exposed clear guidelines on how subnational actors should be involved in the different phases of cohesion policy. The practical realisation of these requirements varies in all member states, however, as mentioned above. It mostly depends on the national conditions regarding the role and resources of local and regional actors as well as the state's willingness to grant them opportunities to participate and shape the policy according to their needs and ideas. The investigation of the Swedish procedures and settings given below will follow the process phases from shaping the framework of the upcoming structural funding period until the implementation of actual projects.

5.1.1 Lobbying for the Future

As outlined above, the distribution of money from the European Structural Funds is based on a national development plan which sets general priorities for what the funding shall be used for and which areas of the country will benefit to which degree. The negotiations on the general outline of the Europe-wide regulations and the national programmes usually take place years ahead of the actual beginning of the funding period. While the next period will start in 2014, for example, the stage of deliberation on the future emphases and content of the Swedish programme is already ongoing. The Swedish central government plays a leading role at that stage, especially since it has to take part in the negotiations at the EU level, representing the Swedish standpoint. The Swedish state is actively seeking input from the subnational level, however. According to the responsible ministry, *Näringsdepartementet*, a continuous dialogue with affected actors is conducted during the negotiations. The Swedish position regarding the upcoming cohesion policy period, which will be handed in during the summer of 2011 will be based on hearings with actors from the regional and local level.¹¹⁶ The scheme below displays this process visually:

¹¹⁶ Homepage Näringsdepartementet: <http://www.regeringen.se/sb/d/14310>, 20 May 2011.



Fig. 5.3., Negotiation process related to EU cohesion policy, modified (translated) from Näringsdepartementet¹¹⁷

An employee of one of the regional authorities invited in this consultation process, namely *Region Skåne*, confirms this working procedure in the early phase:

We do work with the national government when it comes to the coming Structural Fund period, to participate in meetings, because it's now, even though it's only 2011 and the new Structural Fund period starts in 2014, it's now that you have to give input to the various proposals and say what you think and then the regional actors are invited to different hearings.¹¹⁸

Despite opportunities for consultation offered by the government, “effective coalition building and lobbying” directly by the subnational authorities is important at this stage, too, to be able to influence the national programme and standpoint, as Bomberg and Peterson mention.¹¹⁹

Some of the regions and municipalities of Sweden followed the example of other European subnational governments and established an office in Brussels, to be closer to the developments at the European stage. One of the main tasks of such an office is to gain information on EU funding opportunities and to lobby for beneficial conditions of the programmes.¹²⁰ Lein-Mathiesen for example mentions the success of the South Sweden office in validating borders across water as Interreg borders.¹²¹ Apart from that,

¹¹⁷ For the Swedish original, see Homepage Näringsdepartementet <http://www.regeringen.se/sb/d/14310>, 20 May 2011.

¹¹⁸ Interview Nr. 3.

¹¹⁹ Bomberg, Elizabeth – Peterson, John *European Union Decision Making: the Role of Sub-national Authorities* (1998) p. 232.

¹²⁰ Cf. Lein-Mathiesen, Jørn *Nordic Regional Lobbying in Brussels* (2004).

¹²¹ *Ibid.* p. 103f.

the offices are helpful to establish and maintain links to other regions which potentially lead to interregional cooperation in the framework of an EU programme.¹²² Also within Sweden, regions and municipalities with similar problems or interests, like those in the North or the three biggest cities Stockholm, Gothenburg and Malmö, for example, form alliances to push for an adequate consideration within the national programme.¹²³ “The regions in Sweden have slightly different interests and they say this rather specifically to the government”, an employee of *Sveriges Kommuner och Landsting* explains.¹²⁴ However, they are also lobbying as an entity, which has an interest in shaping the EU cohesion policy according to their preferences, for instance to ensure their involvement and participation in the future. This is *inter alia* done by *Sveriges Kommuner och Landsting* that tries to

work and lobby towards the EU institutions, also towards the Swedish government with the objective to have a good system of Structural Funds for our members: Not too complicated, possible for all Sweden to be involved in these projects and rules that adapt to what is suitable to the local and regional level.¹²⁵

At the same time, however, it is stated that the process and the level of involvement in the initial phase could be improved. While the association and regions are actively seeking contact to the state level, “there is rather a need for the state ministries to listen more to the demands from the regions”.¹²⁶

Participation in hearings and discussions does not equal formal decision-making power and the way regions are involved can be different for the upcoming funding period, as an employee of *Region Skåne* mentions. While stressing that *Region Skåne* was invited by *Näringsdepartementet* “to participate in the discussion concerning the future Interreg programme”,¹²⁷ the degree to which regional opinions are taken into account depends on the issue.¹²⁸ The picture of very few people designing the programme structures, as it was the case for the last negotiations for the current period,¹²⁹ remains. Especially in the early phase, the concerns of the subnational actors could, therefore, be better met. A more institutionalised format of participation, which also ensures a certain degree of

¹²² Cf. *Ibid.* p. 101.

¹²³ Interview Nr. 5.

¹²⁴ *Ibid.*

¹²⁵ *Ibid.*

¹²⁶ *Ibid.*

¹²⁷ Interview Nr. 3.

¹²⁸ *Ibid.*

¹²⁹ Interview Nr. 5.

involvement before the implementation of the programmes would certainly be welcomed by the local and regional level as it would increase the predictability of their input and thereby also the trust towards their government.

5.1.2 Partnerships for Regional Growth

The regions are much more involved when it comes to the stage of drawing up the regional programmes, however. In the EU regulations it “was very clearly stated that the programmes should be prepared by a broad partnership, meaning that it wasn’t just the member states that can sit down and write them, but that they should evolve from the local and regional level”, one stakeholder explains.¹³⁰ The procedures in Sweden seem to meet this demand when it comes to the design of the regional programmes. There are eight of these regional programmes, each outlining priorities and a framework for potential projects for the specific area (see figure 5.4. for an outline of different programmes). This is very important and needed, since every area is eligible for a different amount of funding and intends to employ it for different purposes.¹³¹ The areas distinguished for the eight programmes are no traditional or grown regions, but rather functionally divided, serving administrative purposes. The eight programme ‘regions’ do not follow the county structure of Sweden, but represent several counties merged into one (‘multi-county level’ in figure 5.4.).

¹³⁰ Interview Nr. 4.

¹³¹ Cf. for example Tillväxtverket *Tempo – News from the Swedish Agency for Economic and Regional Growth* (2010).

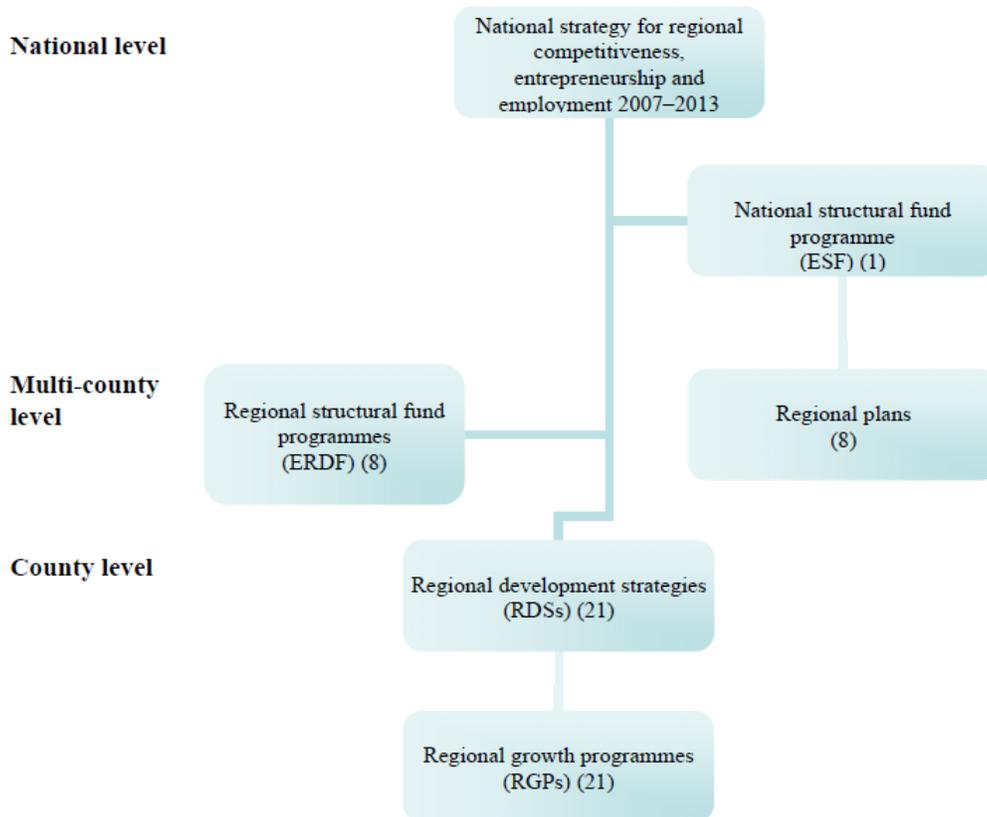


Fig. 5.4., Outline of programmes within the Structural Funds framework, Näringsdepartementet¹³²

The regional programme for Skåne (or South of Sweden respectively, as it encompasses Blekinge and Skåne) for the Structural Fund period of 2007-2013, for example, was primarily “written by the *Region Skåne* in cooperation with other regional actors in Skåne”.¹³³ The priorities for the programmes are set up by the regions themselves, the interviewee from *Sveriges Kommuner och Landsting* agrees.¹³⁴ Even an employee from *Tillväxtverket* stresses, how much regional actors are involved at this stage, although *Tillväxtverket* is mostly also present or participating, “but it is the task of the regions to actually prepare the programmes”, adding that they are “always prepared in big working groups with a lot of people involved”.¹³⁵ Thus, on the one hand, a sharing of tasks between the national and subnational level is visible, as “Sweden has given the local and regional administration a strong position (majority) in the decision making on EU

¹³² Näringsdepartementet *A national strategy for regional competitiveness, entrepreneurship and employment 2007-2013* (2007) p. 31.

¹³³ Interview Nr. 3.

¹³⁴ Interview Nr. 5.

¹³⁵ Interview Nr. 4.

funds”, while in Finland, for example, with similar initial conditions the state administration is further in control.¹³⁶ On the other hand, the cooperation and participation of the subnational level is also characterised by a broad partnership of different actors. In reality, this means that regions, municipalities, but also stakeholders like universities, labour market and business organisations give “the actual input to the programme, the themes and the objectives and priorities.”¹³⁷

During the structural programming, i.e. the implementation phase, this partnership approach persists:

Each region has a Structural Fund partnership. Structural Fund partnerships consist of elected representatives from municipalities and county councils, and representatives from labour organisations, county administrative boards, the Swedish Employment Service, other stakeholders and associations. [...]These partnerships are tasked with prioritising the projects considered eligible by the managing authority, based on a formal assessment.¹³⁸

Tillväxtverket as the managing authority for the regional programmes is, then, taking “decisions about funding based on the prioritizations of the Structural Fund partnerships” and “is responsible for monitoring the approved projects.”¹³⁹ Thus, the agency is mainly controlling the implementation and monitoring of the programmes: “We take the decisions, we pay out the money and we report”, as one of its employees says.¹⁴⁰ Therefore, *Tillväxtverket* has a very important role as the overall steering organisation, but it, nevertheless, follows the parameters set by the partnerships and thereby also the subnational actors, which, in the end, are the “project owners”.¹⁴¹

This observation contradicts Olsson’s and Åström’s reasoning to some extent. They do emphasise that regional public officials dominate the Structural Fund planning “by organizing the process and having dominant influence on the definition of regional development problems as well as being the ones to formulate basic goals and strategies”.¹⁴² At the same time, however, they criticise that “interest organizations and social movements do not have any real access to the planning process.”¹⁴³ A possible

¹³⁶ Johansson, Mårten *Implementation of the Objective 6 Programme in Finland and Sweden* (1997) p. 297.

¹³⁷ Interview Nr. 4.

¹³⁸ Tillväxtverket *Develop Sweden. The European Structural Funds in Sweden 2007–2013* (2010) p. 52.

¹³⁹ *Ibid.* p. 51.

¹⁴⁰ Interview Nr. 4.

¹⁴¹ *Ibid.*

¹⁴² Olsson, Jan – Åström, Joachim *Sweden* (2004) p. 84.

¹⁴³ *Ibid.* p. 85.

explanation might be that the actors involved in the Swedish Structural Fund partnerships are, in fact, still belonging to a rather elitist circle, as smaller organisations – not universities, trade unions or companies – might not even have the capacities to take part in the procedures. Apart from this assumption, the stakeholders themselves stressed the rather open architecture of the process. In the framework of the Öresund Region, for example, business, labour market and different organisations were interviewed or invited for discussions or round table debates to identify problems and collectively find solutions which can be suggested to the two national governments,¹⁴⁴ and where also often citizens could listen to debates.¹⁴⁵

Olsson's and Åström's proposition of a rather passive role of politicians who control the planning process,¹⁴⁶ then again, can be confirmed by affected stakeholders as well. Besides taking the actual decisions, the politicians are very much supported by the secretariat for the programme and are also members of the steering committees for the programmes. These steering committees, as another body involved in the structural programming phase, further entail members from the partnership. They get a different role, however, once the projects are approved and are ongoing, an employee of *Tillväxtverket* explains. Additionally, the subnational authorities, but also non-profit or interest organisations are also involved in a monitoring committee,¹⁴⁷ which “oversees the implementation and guarantees quality and efficiency” of each of the eight programmes.¹⁴⁸

At this stage of the process, the working methods are rather characterised by cooperation and partnership between actors of different levels than following clear hierarchical structures. Johansson identifies a clear benefit of the European partnership principle having been introduced in Sweden, since it “brought new working methods which, in the long run, may bring together the different administrations at the regional level to work towards common goals.”¹⁴⁹ This could strengthen the regional level's

¹⁴⁴ Interview Nr. 2

¹⁴⁵ Cf. Interview Nr. 3.

¹⁴⁶ Olsson, Jan – Åström, Joachim *Sweden* (2004) p. 84f.

¹⁴⁷ Interview Nr. 4 and *Tillväxtverket Develop Sweden. The European Structural Funds in Sweden 2007–2013* (2010), p. 52.

¹⁴⁸ *Tillväxtverket Develop Sweden. The European Structural Funds in Sweden 2007–2013* (2010) p. 52.

¹⁴⁹ Johansson, Mårten *Implementation of the Objective 6 Programme in Finland and Sweden* (1997) p. 286.

voice and lead to an improved ability to achieve their interests. Potentially, the established relationships between the members in the partnership could be advantageous in other policies, especially national ones. The experimental regionalisation process, initiated in Sweden in the 1990s, implicated more responsibilities for regional development and growth.¹⁵⁰ The regional growth agreement, which is a “regional partnership-model for development of Swedish regions”, is directly managed by the experiment regions, for example.¹⁵¹ Whether this attempt was inspired by the procedure of the EU regional policy is difficult to say, but it is interesting to see how delegation of tasks and cooperation regarding the regions’ development become increasingly important, to the detriment of mere state control. Dosenrode and Halkier conclude that “the partnership concept of the EU Structural Funds is widely accepted and the Swedish Government now uses it as a way of making its own regional development policy more ‘democratic’”.¹⁵²

5.1.3 Supporting the Projects

During the implementation phase, the projects that receive the funding take centre stage. At this point of the process, especially the regional authorities get in contact with potential project applicants, help them writing the application and support them in general.¹⁵³ *Region Skåne*, for example, set up special help desks, contact and support persons dealing with questions and problems of applicants. In this regard, being close to the organisations that seek help is very important for the regional authorities as well as the specific knowledge about the programme of the region in question. The Interreg secretariats also function as contact points for project applicants, participants and leaders. An employee from *Öresundsekretariatet* explains:

We have helped ideas that come to our table, we have in some ways helped partners to meet, because we had conferences on that, we have a webpage and we network between the Öresund Committee [...] we are helping them to develop their ideas into a formalised application.¹⁵⁴

In general, one could argue that local and regional actors are very much involved in designing the programmes for the Structural Fund period and are constantly part of the

¹⁵⁰ Sveriges Kommuner och Landsting *A Cohesion Policy for the Whole Union* (2003) p. 18f.

¹⁵¹ Olsson, Jan – Åström, Joachim *Sweden* (2004) p. 81.

¹⁵² Dosenrode, Søren – Halkier, Henrik *Conclusion: Europeanization as a Means to Strengthening the Regions within the State* (2004) p. 204.

¹⁵³ Interview Nr. 3.

¹⁵⁴ Interview Nr. 1.

process, from early lobbying for a favourable framework of the EU cohesion policy, to decisions on themes and priorities for their own programme area to closely following and guiding the projects and their applicants. *Sveriges Kommuner och Landsting* mentions that

The European Union has a significant impact on regional development. Regional issues have become increasingly important since Sweden joined the EU in 1995. Responsibility for regional development has for many years rested with the County Administrative Boards. In recent years, most of Sweden's municipalities, county councils and regions have together assumed a greater responsibility for regional matters and have developed various forms of regional co-operation.¹⁵⁵

The association felt “actively involved in the debate both at national and at Union level” during the preparation of the last Structural Fund period (2007-2013) and that “the Swedish local authorities, county councils and regions have experience of being largely responsible for the implementation of the Structural Funds.”¹⁵⁶

Nevertheless, in the first stage of negotiations about the future of the cohesion policy the Swedish subnational actors do not have a binding say, but have to use either informal channels of lobbying EU institutions and their central government. Or they draw on official mechanisms like round table discussion and hearings, which are, however, per se of a recommendatory nature. It is obvious that the Swedish government and *Näringsdepartementet* play very strong roles in the initial phase of the process. Nevertheless, the central government seems to feel obliged to take the regions' and cities' standpoints into account, not least since a structure of the cohesion policy beneficial for the regions will most likely also profit the state as a whole. Moreover, a great degree of trust between the levels is apparent, though criticism of the procedure cannot be neglected. The regional actors are not entirely satisfied with their assigned role and strive for more influence and would certainly appreciate to be further involved and to see their concerns being taken into account even more.

In contrast, the involvement of regional actors in preparing the regional programmes and when the actual projects are conducted is quite remarkable. Sweden meets the requirements of the EU cohesion policy of forming broad partnerships and giving important roles to both, public authorities and private organisations. The strong role of

¹⁵⁵ Homepage Sveriges Kommuner och Landsting http://english.sk1.se/municipalities_county_councils_and_regions/regional_development, 20 May 2011.

¹⁵⁶ Sveriges Kommuner och Landsting *A Cohesion Policy for the whole Union* (2003) p. 1.

Tillväxtverket, closely linked to the Swedish *Näringsdepartementet*, however, still points to a certain degree of centralised administration of the Structural Funds. At least the introduction of regional offices of the state agency makes close connections to the authorities and affected actors in the respective area possible.

5.2 Proactive Behaviour as a Key to Success?

Olsson and Åström speak of a rather passive adaptation of Swedish regions to the process of Structural Fund planning as it is determined by the Commission.¹⁵⁷ Even if the Swedish practice follows certain Europe-wide guidelines and successfully adopts the partnership principle, it is difficult to agree with the assumption of a passive response of Swedish regions to the requirements and opportunities of EU cohesion policy. Instead of just obeying to the procedures set by the Swedish government and the European Union, the Swedish local and regional actors are evidently also taking initiative themselves and form the cohesion policy and implementation of the Structural Funds in Sweden actively.

When it comes to EU funding, passiveness could especially prevent the success of programmes and, in fact, constrain the development potential of a region. In this vein, it is important to communicate one's interests to the government before the national programme is finalised to make sure to benefit from the set priorities. At later stages, subnational authorities need to obtain a good knowledge of the problems and needs of the area, its industry and people to be able to draw up the regional programmes accordingly. Finally, the cooperation with project applicants and their active support by authorities and public officials will determine the success of the projects funded by the EU money.

In Sweden, already in the process preceding the EU-level negotiations for the upcoming funding period, municipalities and counties are seeking contact with the EU institutions and the Swedish government of their own accord. It is important for the regions and municipalities to be active towards the government and to push for their interests, the

¹⁵⁷ Olsson, Jan – Åström, Joachim *Sweden* (2004) p. 87.

employee from *Sveriges Kommuner och Landsting* says.¹⁵⁸ According to his observation, many of them also behave accordingly, especially in the initial phase of the process, some of the regions “are more active, some less, but generally speaking they are all very active, and also they are pushing us – because they are our members – to be even more active on their behalf.”¹⁵⁹ He illustrates that “some municipalities are really active as it comes to applying for specific projects in being innovative and creating new ideas for development programmes. I think it’s up to themselves to be active in that stage, and most of them are indeed very active.”¹⁶⁰ Taking the lobbying activities for EU funding in Brussels into consideration as well, Swedish subnational actors take a rather proactive stance towards their government and in the EU arena¹⁶¹

An employee of *Tillväxtverket*, however, also pointed to the problem of decreasing enthusiasm during the process:

there was a tendency in the beginning of the programme period that they have been very much involved in the process of writing and deciding what do we want this programme for, which themes do we want to work with and then, when the implementation phase started, they sort of pulled back and they weren’t very interested in coming to the steering committee where the actual projects are discussed.¹⁶²

At this point, it was actually *Tillväxtverket* that pushed the regional actors to get more involved again, by encouraging them to take active control over what will be realised out of the regional development plan.¹⁶³ Thereby, the importance of active participation of and ownership by the subnational actors is stressed once more, as they are directly affected by the programme and the successful realisation of projects.

There is an obvious pressure for organisations and authorities alike to be open and perceptive to possibilities and developments to be able to take advantage of them,¹⁶⁴ especially in a competitive environment such as the cohesion policy. In this respect, it is also important for project applicants to present their ideas for a project and to find project partners¹⁶⁵ The activity of smaller organisations within projects, furthermore,

¹⁵⁸ Interview Nr. 5.

¹⁵⁹ *Ibid.*

¹⁶⁰ *Ibid.*

¹⁶¹ *Ibid.*

¹⁶² Interview Nr. 4.

¹⁶³ *Ibid.*

¹⁶⁴ Cf. Page, Edward C. *Localism and Centralism in Europe The Political and Legal Bases of Local Self-Government* (1991) p. 9.

¹⁶⁵ Interview Nr. 1 and Nr. 3.

has the important effect of potentially triggering activities of other actors with similar capacities or they might even communicate their success in acquiring money from an EU programme themselves.¹⁶⁶

In Sweden, local and regional actors seem to have understood the necessity of active behaviour as a prerequisite for success, though there are also differences to which extent they put it into practice. This proves a general tendency identified by scholars, that some municipalities or regions are more willing to take initiatives, be innovative and proactively seek contact and partners than others.¹⁶⁷ In a study of Swedish municipalities' activity related to the EU, Ström concludes that the regional centres like Mälardalen (greater Stockholm area), Västra Götaland (with Gothenburg as a focal point) and Skåne (with its capital Malmö) have understood the importance of strong relationships to foreign and domestic partners and do not “wait for someone else's guidance”, but are ready to exploit the existing possibilities.¹⁶⁸ This conclusion was also confirmed by an employee of *Öresundskomiteen*, who mentioned a certain feeling of responsibility and urge to approach the central level before being contacted, to inform them about problems or possible solutions, since the cross-border organisation has an advantage of proximity to and deep knowledge of the area.¹⁶⁹ “You should have a strategy to take the initiative to create dialogue” with the national government, the employee points out.¹⁷⁰

One of the parts representing the Öresund region, namely Skåne, has already been characterised as very successful in employing proactive strategies and offering solutions to the government.¹⁷¹ A person working for the Southern regional office of *Tillväxtverket* characterises Skåne equally as a “very progressive region that likes [...] trying out new things”.¹⁷² In related literature, the active position of South Sweden is often explained by being close to the rest of Europe, which might have an effect on the

¹⁶⁶ Interview Nr. 4.

¹⁶⁷ Cf. Jerneck, Magnus *Introduction* (2000) p. 4 and Klausen, Kurt Klaudi *Conflict and Harmony in the Internationalisation of Danish Local Governments* (2000) p. 39.

¹⁶⁸ Ström, Lars-Inge *Swedish municipalities in the European Union* (2000) p. 121f.

¹⁶⁹ Interview Nr. 2.

¹⁷⁰ *Ibid.*

¹⁷¹ Cf. Sivberg, Anna-Karin *A New Policy Style?* (1999) and Fernandez, Christian *The Bargaining Region* (1998).

¹⁷² Interview Nr. 4.

mindset that is more orientated towards neighbouring regions and central Europe than that of other Swedish areas.¹⁷³ The political and economic capabilities of the region might play a role, too,¹⁷⁴ as well as interested and motivated individuals that push for certain decisions or developments.¹⁷⁵ Another viable explanation, Fernandez draws attention to, is the “internal unity” of a region, which correlates with successful bargaining and which is possibly greater in Skåne and other regions also founded on common history, culture and identity than merely functional regions.¹⁷⁶

Choosing an active strategy will most likely mobilise further energies, actors and capacities of the region. It will, moreover, potentially improve public officials’ competence regarding the Structural Funds and strengthen their abilities to identify funding opportunities and establish contacts. Dosenrode and Halkier conclusion coincide with this observation and they point out that

it is abundantly clear that the Nordic regions are indeed actors in their own right, taking initiatives that transgress their traditional territorial and functional roles when setting up offices in Brussels, engaging in trans-border co-operation projects, or embarking on new ventures in ‘bottom-up’ economic development.¹⁷⁷

In contrast, a passive attitude bears several problems with regard to cohesion policy, since, as mentioned above, the process is not just characterised by formal participation mechanisms, but by informal practices like lobbying and networking, as European policy-making is in general. Part 5.4 will have a closer look at the Swedish regions’ capacity to adapt to this system, while the next part draws upon the potential of tension and conflict between regions and the national level, cohesion policy in Sweden holds.

¹⁷³ Cf. Olsson, Jan – Åström, Joachim *Sweden* (2004) p. 88. and Jensen, Ole B. – Richardson, Tim *Constructing a Transnational Mobility Region* (2004) p. 147.

¹⁷⁴ Jerneck, Magnus *Introduction* (2000) p. 5.

¹⁷⁵ Ström, Lars-Inge *Swedish Municipalities in the European Union* (2000) p. 111.

¹⁷⁶ Fernandez, Christian *The Bargaining Region* (1998) p. 27ff. and see also Jerneck, Magnus *Introduction* (2000) p. 5 and *Nordic Politics Viewed in a Changing Territorial Perspective* (2000) p. 18ff.

¹⁷⁷ Dosenrode, Søren – Halkier, Henrik *Conclusion* (2004) p. 204.

5.3 Conflict or Cooperation? – Effects on Territorial Relations

Sweden is characterised by a very consensual political culture that aims at taking into account a broad range of societal interests to base decisions on unity rather than an enforced position of just a single group. Johansson explains, that “these ‘consensual’ systems have established a negotiated or co-ordinated political order which can effectively deal with and solve conflicts between the regional and central levels.”¹⁷⁸ The cohesion policy, by putting an emphasis on the subnational actors, by even aiming at strengthening their role within their respective country, potentially challenges existing patterns of territorial relations, however. The local and regional levels are to a quite large extent involved in the structural funding process, as shown above, and their role within cohesion policy seems to stimulate their activity, which might have led to claims for further resources and competences already or will in the future, respectively. A “confrontational strategy on the part of the state [...] would seem to have little prospect of success”, Jerneck notes.¹⁷⁹ It rather has to “become more flexible” and “a responsible *cooperating and negotiation state* rather than a *dirigiste* state.”¹⁸⁰

The Swedish government seems to agree with this estimation and signals its willingness for cooperation and dialogue to the regional actors, at least according to an employee of *Tillväxtverket*:

we don't want to be seen as a national authority at the state level that are not in contact with what is actually happening here in the regions, so we are trying to, when they have meetings, discussing regional development, conferences, we try to be there just to sort of listen to what the discussion is, so they can see we are there, also. I think that's important.¹⁸¹

This approach is apparently understood by the subnational authorities, since regional stakeholders generally speak of a cooperative relationship with the government level and “good contact” between, for example, *Sveriges Kommuner och Landsting* and *Näringsdepartementet*.¹⁸²

¹⁷⁸ Johansson, Jörgen *Regionalisation in Sweden* (2000) p. 135.

¹⁷⁹ Jerneck, Magnus *Nordic Politics Viewed in a Changing Territorial Perspective* (2000) p. 30.

¹⁸⁰ *Ibid.* p. 29f.

¹⁸¹ Interview Nr. 4.

¹⁸² Interview Nr. 1, 2, 3, 5.

Since the funding for the different regions varies in scope and relevance, there is clearly also variation in the relationships between state and regions. Regarding the Öresund region, for instance, Hall observes, that

[a] great degree of trust between the states and the cross-border authorities is visible; no decisions concerning funding have been questioned or revised by the national authorities so far. The Øresund CBR seems thus to be fairly autonomous, even promoted by national politicians as a growth strategy.¹⁸³

This was confirmed by stakeholders involved in the border region by stating that “there is a feeling of consensus when they take the decisions”¹⁸⁴, “a good dialogue with the government”¹⁸⁵ and that “the cooperation is working well”.¹⁸⁶ The employee of *Öresundsekretariatet* added that “the money is not that urgent or sought after that you might have in other parts. And it also makes the conflicts less”.¹⁸⁷ The relationship is, to a large extent, also based on mutual dependence, since the two governments benefit from the knowledge of the cross border organisations and the success of the Öresund region, which has an impact on the development and growth potentials of whole of Sweden and Denmark, in turn.¹⁸⁸ On the other hand, the Öresund region needs the governments’ approval for their activities, which makes a well functioning relationship crucial for them, too.

Nevertheless, the cooperation is not entirely without problems. The governments used to be quite rigid in their refusal to change regulations.¹⁸⁹ It has been a longer process of finding a strategy of how to deal with this inflexibility and sometimes also narrow-mindedness of the central level.¹⁹⁰ The employee of *Öresundkommiteen* describes the current strategy of dealing with the Swedish and Danish government as the “soft way”, by which they rather “help the government”, present suggestions and “create a dialogue”: “I think that’s a very important way, because they have to answer and if they say we don’t want, then you don’t want growth and you don’t want this region.”¹⁹¹ Thus, through this strategy of presenting ideas and discussing them in an open and not conflict-laden manner, the employee says, “today, we are closer to the national level

¹⁸³ Hall, Patrick *Opportunities for Democracy in Cross-border Regions?* (2007) p. 428.

¹⁸⁴ Interview Nr. 1.

¹⁸⁵ Interview Nr. 2.

¹⁸⁶ Interview Nr. 3.

¹⁸⁷ Interview Nr. 1.

¹⁸⁸ Interview Nr. 2.

¹⁸⁹ *Ibid.*

¹⁹⁰ *Ibid.*

¹⁹¹ *Ibid.*

than before, in many ways.”¹⁹² There is still room for improvement, however. There could be even more contact to – or rather attention from – the government to also get the questions important for the Öresund region up on the national agenda.¹⁹³ There seems to be a need for a more holistic view by central state officials that does not stop at the border, but takes the specificities of a well integrated border region, both possibilities and challenges, into account when drawing up policies not explicitly, but still in some way related to the Öresund cooperation.¹⁹⁴ The government, furthermore, tends to reject own responsibility for regional matters once they are approved, although the regional authorities might still seek input from the state level, try to emphasise the importance of it for the region and want the government to take these concerns seriously.¹⁹⁵ Similarly, the employee of *Sveriges Kommuner och Landsting* stresses that the cooperation could still be intensified, especially at the political level, “with our political board and the different ministries involved [...] It could be even better [...] we are not quite satisfied with the response from the ministries concerning the intensity and frequency of those meetings.”¹⁹⁶

A rather positive assessment of the state-region relation seems to be equally true for *Region Skåne*. “In Skåne, we don’t have a problem. We have a very good cooperation with the local and the regional level”, the employee of the state agency *Tillväxtverket* says,¹⁹⁷ and receives support by its counterpart from *Region Skåne* that confirms the rather unproblematic relationship.¹⁹⁸ Similar to Öresund region, Skåne is not very dependent on structural funding from the EU and just recently obtained the status of eligibility for the former Objective 2 funding, now known as “Regional Competitiveness and Employment”. This might be one reason for rather few tensions with the government with regard to cohesion policy. Another possible explanation is related to Skåne’s exceptional position as a region in Sweden equipped with competences exceeding those of common counties. At the same time, the empowerment of the region could have led to increased conflicts with the Swedish state level, as the

¹⁹² Interview Nr. 2.

¹⁹³ Interview Nr. 3.

¹⁹⁴ Cf. Interview Nr. 2.

¹⁹⁵ Interview Nr. 3.

¹⁹⁶ Interview Nr. 5.

¹⁹⁷ Interview Nr. 4.

¹⁹⁸ Interview Nr. 3.

authorities might be more confident, but also better skilled within the negotiations.¹⁹⁹ Instead, the region seems to have deliberately chosen an approach of collaboration over opposition, as the former has probably held more advantages for the region than the latter. The amount of funding going to the region in question, nevertheless, appears to be a decisive factor determining region-state relation. The connection between *Tillväxtverket* and the North of Sweden, which receives most funding in the country, has been characterised by “a lot of problems”, an employee of the state agency explained.²⁰⁰

Another area of tension is potentially represented by the relations between the regions or the municipalities and regions. Within the Öresund region, for instance, Hall raises attention to the problem that “[o]n both the Danish and the Swedish side, there is a conflict on authority within regional development issues between the major cities (i.e. Copenhagen and Malmö) and the regional councils”.²⁰¹ The employee of *Öresundskomiteen*, however, observes a rather good cooperation between these subnational actors and speaks of frequent contact and discussion between the cities and regions across the Sound.²⁰² In this case of a cross-border region, it would be very advisable for the different authorities to act in concert, of course, while for different regions potentially competing for the same funding, a conflict-laden relation would be quite comprehensible. It might be due to the consensual culture in Sweden, that tensions among the counties are quite contained. One stakeholder speaks of some competition between regions when it comes to achieving their goals regarding the national programme for the Structural Funds, for example.²⁰³ At this point, it is associations like *Sveriges Kommuner och Landsting* which try to find a common denominator, since they want “all Swedish regions to have a possibility to use Structural Funds, not only the ones up in the North, not only the big cities, but everyone.”²⁰⁴ A good cooperation between municipalities and regions as well as among the counties is especially necessary to actually enforce common demands vis-à-vis the government or European

¹⁹⁹ Fernandez, however, speaks rather of the commitment distinguishing some regions from others and determining their negotiation potential and success: Fernandez, Christian *The Bargaining Region* (1998) p. 41.

²⁰⁰ Interview Nr. 4.

²⁰¹ Hall, Patrick *Opportunities for Democracy in Cross-border Regions?* (2007) p. 428.

²⁰² Interview Nr. 2.

²⁰³ Interview Nr. 5.

²⁰⁴ *Ibid.*

institutions and makes speaking with one voice while neglecting tensions crucial for their success.

The cohesion policy, in general, has the potential to alter the relation between the administrative levels, also in Sweden, and to equip the local and regional authorities with further resources, not just of monetary nature, but in terms of experiences and competences gained from negotiation and cooperation processes related to EU structural funding. The organisational form of the Structural Fund partnerships and committees involved in the implementation of EU cohesion policy in Sweden also rather contradict the usually hierarchical relation between the regions and the state, since in

new informal co-operative relations and alliances [...] the representatives of the central authority – among a number of other parties (for example, Chambers of commerce, enterprises, interest organisations and so on) – may be permitted to play a part in more equal partnership with the representatives of the local or regional territory.²⁰⁵

In this respect, the structural programming might actually contribute to a rather symmetrical relationship between different actors and in particular between different state levels, in which authority is shared according to competence and experience rather than formal conventions and which is characterised by mutual trust and interdependence rather than hierarchy and delegation. Dosenrode and Halkier see this as a general potential of the European Integration process, while the state, nevertheless, “continuous to play a pivotal role” in the Nordic states, including Sweden, and “is still the primary target of the loyalty of the regions”.²⁰⁶ Nevertheless, Swedish municipalities and counties redefine their relationship to the central government and might be able to also use their improved skills and confidence in their struggle for increased influence. Regionalisation tendencies have become more and more visible in the Scandinavian country and the Structural Funds, as several scholars assess, have facilitated many of these changes.²⁰⁷ The enhanced capabilities of regions in Sweden do not have to be seen as a threat necessarily, “but rather in the light that we now have new actors capable of increasing the problem-solving capacity of politics”, Sivberg aptly concludes.²⁰⁸

²⁰⁵ Jerneck, Magnus *Nordic Politics Viewed in a Changing Territorial Perspective* (2000) p. 29f.

²⁰⁶ Dosenrode, Søren – Halkier, Henrik *Conclusion* (2004) p. 204f.

²⁰⁷ Cf. *Ibid.* and Stegmann McCallion, Malin *Tidying Up? 'EU'ropean Regionalization and the Swedish 'Regional Mess'* (2008) p. 586ff.

²⁰⁸ Sivberg, Anna-Karin *A New Policy Style?* (1999) p. 52.

5.4 Networks and Innovative Methods

The cohesion policy does not just bring about a further involvement of regions and potentially changes the territorial relations within a state, but it also lets new working methods, constellation of actors and institutional arrangements emerge. Especially cross-border cooperation seems to be a suitable site for innovative and particularly open fora: “EU intervention, principally through the Interreg programme, [enables] the formation of new networks and institutions of transnational planning”, in turn, presenting an “‘open-house’ opportunity [i.e.] a relatively open institutional field within which stakeholders and institutional players can choose to make their entrance.”²⁰⁹ As shown in part 5.1., many stakeholders do so and participate in discussions about possible strategies and projects or are directly invited by the cross-border institutions. It is, again, not so much a group of politicians that are involved, but rather “a developed regional network between public officials in the secretariat and public officials, such as strategy leaders and EU officers, in the regional and local institutions”, as Hall observes.²¹⁰ The cooperation is also distinguished by a sometimes informal character. While *Öresundkomiteen* takes the final decisions within a very formal framework, the day-to-day work, especially regarding the projects, take place in a rather unofficial setting. The Öresund secretariat, for example “is deeply engaged in informal meetings with interested parties of different kinds”.²¹¹

The frequent and informal contact of officials and people involved in projects across the Öresund might have a very positive effect on their way of thinking and working more generally: “the incremental and network-organised character of these new transnational planning activities further brings down barriers of both institutional and cultural differences”.²¹² While a less formal and institutionalised environment can bear problems with regard to transparency and accountability, it can, at the same time increase the efficiency and flexibility of working mechanisms. The personal dimension of this kind of environment should not be underestimated either. “In contrast to more authoritarian forms of social organisation, the one created by the Öresund region is characterised by

²⁰⁹ Jensen, Ole B. – Richardson, Tim *Constructing a Transnational Mobility Region* (2004) p. 141.

²¹⁰ Hall, Patrick *Opportunities for Democracy in Cross-border Regions?* (2007) p. 428.

²¹¹ *Ibid.* p. 431.

²¹² Jensen, Ole B. – Richardson, Tim *Constructing a Transnational Mobility Region* (2004) p. 141.

‘civicness’, i.e. trust, norms and horizontal networks”, Jerneck explains.²¹³ Similarly, an employee of *Öresundsekretariatet* mentions:

one clear result, that is a soft result, you can’t measure it, is that people say, working inside Interreg projects has really given them a personal development in terms of widening their network and challenging their ways of working, meeting new people, many also that we see have gotten a new job from being a project leader or something from the project before.²¹⁴

An employee of *Öresundskomiteen* agrees by saying, “one Interreg project where they have started to build networks could create new, good or even better Interreg projects, because they learn to know each other”.²¹⁵ Thus, personal, regular contacts based on a reliable and interdependent relationship seem to play an important role for the success and well-functioning of the cooperation.

Emerging networks, flexible and informal activities are not just a phenomenon of the structural funding process, however. It might rather be a feature of a more globalised and open world in general.²¹⁶ The EU programmes, in particular Interreg, nevertheless, seem to be well suited for experimenting with innovative fora and working methods, which could also be adopted in other settings. It is a question of learning and adapting to practices already established and routine in Brussels and especially required when working with partners in other countries, but also when seeking to shape decisions that are made at the European level. *Sveriges kommuner och Landsting* expresses the intention “to be open to different solutions and work methods from around the world”.²¹⁷ In this respect, the network character is clearly visible in the daily work of the regional offices in Brussels, but will more and more evolve “at home” as well. Lein-Mathiesen points out that “the philosophy underlying many EU programmes is to develop a cobweb of individuals and organizations of all types, exchanging experience and best-practice and thereby increasing the overall level of competence in Europe.”²¹⁸

²¹³ Jerneck, Magnus *East meets West* (2000) p. 224.

²¹⁴ Interview Nr. 1.

²¹⁵ Interview Nr. 2.

²¹⁶ Interview Nr. 1.

²¹⁷ Homepage Sveriges Kommuner och Landsting: <http://english.skl.se/>, 20 May 2011.

²¹⁸ Lein-Mathiesen, Jørn *Nordic Regional Lobbying in Brussels* (2004) p. 97.

5.5 Learning from Each Other

Even if the goal of exchanging experience and reaching a better understanding of each other, according to Hall, might be of a rather “symbolic nature”,²¹⁹ the cooperation with people from other organisations and especially from other countries and cultures can be very fruitful in terms of ‘learning from each other’. The Commission is convinced that cohesion policy contributes to “an on-going learning process allowing the testing of innovative approaches and networking to exchange experience [and] spreading sound practices of programming, partnership, control, monitoring and evaluation”.²²⁰

Stakeholders, who were involved in interregional programmes, speak of ‘widening their perspective’, even practicing their language skills was seen as an asset of the close work with people from neighbouring countries.²²¹ Swedish local and regional actors can benefit from cooperating with counterparts in other institutional settings or simply other member states by taking over ideas and methods.²²² The opportunities offered by the EU programmes for interregional cooperation have to be exploited: “it is extremely important to take advantage of experiences, methods and good examples from the huge range of projects carried out within the framework for current ‘Interreg’ programmes and future territorial cooperation programme”.²²³ One stakeholder explains that through some projects you can learn from other countries’ examples, in yet other projects “you have the same problem and you don’t have a solution in either country, but together you find a solution, because you test different methods”.²²⁴ An employee of *Region Skåne* puts it into a nutshell, by explaining the following:

many people tell me that you see a lot of added value if you work across the border, that you learn from each other. You open your eyes a bit: maybe the way we do it is not always the best, so we have something to learn from other people. That’s really the whole point for the Interreg, to learn from each other, to make the regions come closer, to further integration and to make it easier for people to live and study in other countries, and work.²²⁵

²¹⁹ Hall, Patrick *Opportunities for Democracy in Cross-border Regions?* (2007) p. 431.

²²⁰ European Commission, cited in Tarschys, Daniel *Reinventing Cohesion* (2006) p. 76f.

²²¹ Interview Nr. 3.

²²² Interview Nr. 4.

²²³ Näringsdepartementet *A National Strategy for Regional Competitiveness, Entrepreneurship and Employment 2007-2013* (2007) p. 51.

²²⁴ Interview Nr. 4.

²²⁵ Interview Nr. 3.

The stakeholders perceive their work, especially with regard to their transnational activities, as very stimulating and interesting. They describe the Öresund region as a “vibrant” and “dynamic” region and Skåne as a progressive place, which seems to be motivating and exciting to work for and to see the regions’ further development ‘directly’.²²⁶ Some features of the EU cohesion policy seem to have the potential of contributing to a sense of European community. The frequent meetings during the structural programming process, for instance, brings projects partners closer together, as the employee of *Tillväxtverket* mentions.²²⁷

Jerneck analysed this process in an illustrative manner, saying that “the contours not merely of the state territory but also of the local and regional territories are softened” and “regionalisation across national frontiers can lead, through acquired habit and frequent contacts, to the emergence of ‘transnational societies’ based on a common feeling of identity.”²²⁸ Tarschys sees the cohesion policy in particular as a potential instrument to strengthen the sense of community, not just across borders but also by employing the partnership principle within a region.²²⁹ The stakeholders stress their frequent contact to each other and good working atmosphere with their counterparts, whether between the administration of Skåne and region Copenhagen or between *Tillväxtverket* and the regional authority. This exchange and cooperation could, of course, have been achieved in other ways than through the structural funding process, but EU funding opportunities have been “some fuel and it helped, because it’s a good format”.²³⁰

5.6 Challenges and Problems

Despite obvious benefits for the Swedish municipalities and regions resulting from EU cohesion policy and positive effects like stimulated activity, confidence, cooperation of the subnational actors, the Structural Fund administration involves some challenges, too. The major problem for all actors involved – and one that seems to be one of the

²²⁶ Cf. Interview Nr. 2, 3, 4.

²²⁷ Interview Nr. 4.

²²⁸ Jerneck, Magnus *Nordic Politics Viewed in a Changing Territorial Perspective* (2000) p. 19f.

²²⁹ Tarschys, Daniel *Reinventing Cohesion* (2006) p. 69 and 76ff.

²³⁰ Interview Nr. 4.

EU's biggest burdens in general – are bureaucratic procedures, which demand a huge amount of time and working capacities.²³¹ Apart from making the administration of Structural Fund programmes and projects more difficult and time-consuming, it might even prevent some organisations from getting involved in a project in the first place. Especially for actors with limited capacities, like smaller companies, the bureaucratic burden represents a major hurdle, the employee of *Tillväxtverket* says.²³² This, of course, is acting counter to the inclusive approach of partnerships and cooperation that shall entail also private and small-scale actors. Moreover, the existing rules need to be simplified, but also clarified and adapted to the actual circumstances of structural programming.²³³ There is “too much room for interpretation in the regulations”, says the employee of *Tillväxtverket*, especially when it comes to the transnational cooperation, where at least two national sets of rules come together.²³⁴ The implementation of projects is further aggravated by the many levels of control, some stakeholders add.²³⁵ Monitoring and control mechanisms play a crucial role for ensuring the correct spending of funding and in preventing misuse, but in the case of EU funding, the control instances could possibly be reduced to relieve the subnational actors and concentrate their capacities on the content of the projects and programmes exclusively. The inflexibility of the system, also in terms of the rigidity of the approved regional programmes,²³⁶ bears unnecessary challenges for the individuals and organisations involved and requires improvement the Swedish subnational actors are already committed to achieve.

Another potential drawback resides in the fact that money as such seems to be the main incentive for organisations to get involved in a project, rather than the ideological factor of working across the border, in case of Interreg programmes, for example.²³⁷ This is comprehensible to some extent, but might carry the risk of short-sightedness, i.e. a missing long term perspective for the project after EU funding is not provided anymore. First and foremost, the Structural Funds aim at triggering cooperation between actors,

²³¹ Interview Nr. 1, 3, 4, 5.

²³² Interview Nr. 4.

²³³ Interview Nr. 1 and 4.

²³⁴ Interview Nr. 4.

²³⁵ Interviews Nr. 1, 3, 4.

²³⁶ Cf. Interview Nr. 4.

²³⁷ Interviews Nr. 1 and 2.

starting innovative projects or help to establish new bodies, but not necessarily to fund them for a longer period of time. In this respect, an employee of *Öresundskomiteen* criticises the attitude of some of the projects:

If you are starting an Interreg project, it's three years, but how many of these projects are still alive after three years? And that's a problem I think, because if it should be something for integration, you should, from the beginning, think about what will happen after three years. You must have a strategy how you should establish to be a service, or a product [...] Otherwise it's not a good project, otherwise it's not integration [...] I don't mean that Interreg is bad, I think it is a great opportunity to create integration, in many ways it has created integration [...] But there are some things that are a problem in the project and that's, you want to have some financing for your own project, and then you are not thinking about the long term of investment.²³⁸

It seems as if the European Commission gets more aware of problems like this, since it, especially at present, engages in a discussion process with member states and subnational actors on how to improve cohesion policy. Hereby, one approach is to put an emphasis rather on the actual project results instead of on figures like the amount of projects funded etc.²³⁹

A final concern is mentioned in relation to citizens' understanding and awareness of activities related to the Structural Funds. There is a need to present them in a clear and comprehensive way, the employee of *Öresundskomiteen* says,²⁴⁰ but the people have to become more interested themselves, too, adds his colleague from *Öresundsekretariatet*.²⁴¹ If the cohesion policy is aiming at further closing the gap between the EU and its citizens, it must make sure that not just those directly involved in or affected by projects know about them. The EU Structural Funds do have the potential to actually increase people's participation in the development of the Union and their own city and region in particular, but this possibility has to be continuously boosted by more institutionalised actors, to not let the Structural Funds become another elite project of the EU. This will be another challenge for the future of the EU's cohesion policy.

²³⁸ Interview Nr. 2.

²³⁹ Interview Nr. 3.

²⁴⁰ Interview Nr. 2.

²⁴¹ Interview Nr. 1.

6 Making an Impact

The impact of EU cohesion policy on the Swedish local and regional level becomes noticeable in several different ways. During the different phases of the structural funding process, actors from the subnational level are continuously involved, though to diverging degrees. While Swedish regional authorities seek contact to EU institutions and the Swedish government in the initial phase of designing overall priorities for the EU policies as well as national goals and emphases, this stage is, first of all dominated by state actors. To which extent ideas and concerns of the subnational level also shape the national standpoint and programme depends on the willingness of the central government to take them into account. It became obvious, however, that municipalities and regions in Sweden have been pushing for an adequate consideration and have not settled yet for the current procedure. During the implementation of the Structural Fund programmes, the involvement of regional actors is very strong as they shape priorities according to which EU funding shall be spent and have a crucial say on which projects to fund. Even though the regulations for the application of the cohesion policy asks for this participation of the subnational level, the Swedish state also did not put a spoke into the partnership's wheel, but facilitated the cooperation by offering a suitable setting for it.

Since local and regional authorities in Sweden are not traditionally involved in shaping policies, but rather in implementing them, the application of the partnership principle of the EU cohesion policy can be seen as successfully changing long-established habits in the country. Even if the formal influence of the municipalities and counties on decisions concerning EU structural funding in Sweden is still expandable, a tendency towards shared authority between the different administrative levels is clearly visible. In this respect, even in a unitary country like Sweden, where federal elements are missing and an enhanced decentralisation of competences just began, signs of an emerging system of Multi-level Governance are visible. The metaphor might not apply to the policy-making process of the Scandinavian country as much as in other countries, but it is still an appropriate description for procedures employed in the structural funding process.

Despite the observation of shared responsibilities, several other characteristics of new forms of Governance can also be identified in the Swedish case. Less hierarchical forms of cooperation are employed when it comes to the implementation of EU Structural Funds and the so called Structural Fund partnerships are distinguished by a broad interaction of private and public actors from local, regional and national level in a network-like constellation. Informal meetings, personal contacts and an extensive exchange of experience and knowledge are further features discovered.

Cohesion policy did not leave the Swedish territorial relations unaffected, as expected. Tensions between county level and central government have been caused by the requirements and diverging interests regarding cohesion policy, admittedly, but in general, cooperation rather than conflict characterise the collaboration between the different levels. Sweden's consensual tradition is likely to have contributed to this result. In this respect, the relationship between central government and municipalities and counties might have been affected in a rather positive manner. The inclusive and cooperative approach has, to some extent, furthered a dialogue between the levels. Nevertheless, the Swedish regions have become a stronger and more active player within the domestic as well as the European setting, partly by being encouraged through the cohesion policy, partly by being able to use opportunities emerging from EU Structural Funds and the dynamics of the European Union more generally. Even if the Swedish unitary system is not fundamentally challenged by any of the processes evolving from EU cohesion policy, municipalities and counties might still feel stimulated by their involvement in the structural funding process to increase their activities towards the central government, EU institutions or within their attempts to gain competences. The Structural Funds as well as other mechanisms for regional involvement promoted by the EU Commission have certainly contributed to the recent regionalisation tendencies in the country and could motivate even further claims for increased independence in questions related to regional development and growth. The two processes can be most adequately be described as mutually reinforcing, since stronger regions, like Skåne, for instance, are also likely to display more resources and commitment in order to benefit from the possibilities of EU cohesion policy.

EU cohesion policy has, as in other member states, furthered innovative working methods and organisational set ups in Sweden, promoted learning processes between

regions within and across countries, brought actors from the subnational, national and supranational level closer together as well as having supported cooperation between the public and private sphere. The benefits of an increased involvement of local and regional actors and enhanced consideration of their ideas and concerns regarding questions of regional development have already been recognised and translated into procedures of national decision-making. Thus, the Swedish case does not just display how principal goals of cohesion policy have been achieved, but how traditional hierarchies and practices of the country have been challenged through it, changing territorial relations, actor constellations and procedures towards a system of multiple horizontal and vertical levels.

There is still potential for an increased involvement as well as activity and mobilisation of the Swedish local and regional level, however. Differences, especially among the cities and counties of the Scandinavian country are visible. Not all of them can make use of the existing opportunities in the same manner. Yet proactive strategies towards the government, EU institutions and potential partner regions within Sweden and elsewhere in Europe are necessary for success, the analysis has shown. By and large, EU funding and related gains of competences have, nevertheless, stimulated activities of local and regional actors in Sweden. Interregional cooperation and especially cross-border activities have encouraged and inspired them to adopt methods and ideas from counterparts and might even have strengthened some of the Swedish regions' confidence and identity.

Therefore, theoretical assumptions on changing spheres of influence, interaction and interdependence of actors within a state and Europe more generally to a significant extent hold true for the case of Sweden. Nevertheless, the specifics of the Scandinavian country affect the EU cohesion policy's impact its regional level as well. Remaining control of state authorities in the structural funding process, an approach of dialogue and cooperation of actors of different spheres and uneven levels of activity of single regions are evidences for the specificity of the case. In this respect, the case study might contribute to a more adequate description of how EU cohesion policy is making an impact in EU member states and will hopefully trigger further thoughts and discussion.

7 Executive Summary

The thesis “The Impact of EU Cohesion Policy in Sweden – Chances and Challenges” is an investigation of the implementation of the EU Structural Funds in Sweden and its respective effects. The requirements of EU cohesion policy, in particular the partnership principle demanding a close cooperation between supranational, national and subnational levels potentially poses challenges to the traditional policy-making processes of the Scandinavian country. At the same time, it can provide chances for innovative, efficient and successful forms of cooperation between the central government and local and regional actors and opportunities of increased resources for the latter, whether in terms of funding or increased competence. The goal of the thesis is to present an accurate picture of how these challenges and chances were translated in Sweden in terms of regional involvement and activity within the structural funding process and relations between state and sub-state level. Questions about increased influence and activity of subnational actors, the nature of collaboration and territorial relations are supposed to be answered by this piece of research.

To reach feasible results for the questions outlined above a qualitative methodological approach has been employed. The paper departs from existing theoretical concepts about the EU’s impact on the subnational level and the involvement of the latter in EU politics. The theoretical assumptions have been applied to the case of cohesion policy in Sweden to detect to which extent they can claim validity for it. By studying this specific case, it is possible to arrive at valuable observations which confirm or contradict the aforementioned theories and refine them by drawing upon the findings from the case study. The choice of the Swedish case was motivated by 1) the rather limited research on cohesion policy in the country so far, 2) the country’s consensual tradition, which potentially facilitates the implementation of the Structural Funds and 3) its unitary nature, which potentially poses challenges to the realisation of the cohesion policy’s requirements. The material used to conduct the case study is mainly represented by existing academic literature, primary sources like publications and homepages of the government and other public organisations involved in cohesion policy as well as

interviews with stakeholders concerned with EU structural funding. Four personal interviews and one telephone interview have been carried out in form of semi-structured interviews employing an interview guide with open-ended questions. The interview partners are employees of both, state and regional organisations and directly work with lobbying for or managing and administrating EU funding from the European Regional Development Fund as well as from the Interreg programme in Sweden. The interviews are particularly important for the paper at hand, as information about cohesion policy cannot exhaustively be found in existing literature and since they represent a source of interpretation and assessment of the working procedures and subnational involvement in Sweden rather than mere channels of information.

While observing dynamics in a rapidly changing Europe, scholars have developed concepts assuming a dispersion of state sovereignty and authority to levels beyond and below the state level. Supranational institutions in the EU have incrementally gained influence in the decision-making process. Moreover, developments in the European Community have expanded the scope of subnational actors, which increasingly shape the agenda and decision of EU politics as well. The theoretical concept of a system of Multi-level Governance has received much attention as an adequate description of the interrelated and interdependent structure of EU politics. Since power is more and more delegated from the central state to actors at the EU stage as well as to regional governments and private actors, they increasingly share responsibility and authority for political tasks. The concept, furthermore, assumes a strengthening of subnational authorities also within the nation states, as their role within the EU helps them to allocate competences and stimulates their activity, including potential claims for empowerment within the respective member state. Another observation described by scholars in this context concerns changes of organisational structures, and working practices visible in the EU sphere that are characterised by a network-like form of interaction of a flexible, inclusive nature. A great degree of trust and interdependence between the involved actors, triggered by the reliance on each other's resources is another feature identified for this cooperation. Hereby, success of actors is not necessarily determined by their formal power or a certain hierarchy, but rather by their proactive behaviour, commitment and ability to find innovative solutions and to use opportunities provided by the EU and its dynamics.

The case study of cohesion policy in Sweden reveals a remarkable impact of EU cohesion policy on forms of cooperation, actor constellations and territorial relations in the country. The regulations on the application of cohesion policy in the member states, in particular, the partnership principle has led to an involvement of subnational actors in designing and implementing programmes within the framework of the Structural Funds beyond traditional habits of the Scandinavian country. While participation of local and regional authorities in the initial phase of the structural funding process is limited to one of consultation, assigning a major role to the government and the responsible ministry, later stages are characterised by a close cooperation of actors of all levels. The subnational actors play a crucial role in preparing regional programmes, which set the priorities and themes for the funding spent in a specific area. They, furthermore, are engaged in a so called Structural Fund partnership, which brings together public and private organisations from the state, regional and local level that discuss and suggest the projects that should receive funding. A state agency is holding an important role of managing the programmes, however. From analysing the material, a significant involvement and activity of Swedish local and regional actors is, nevertheless, apparent, from early lobbying for a favourable framework of the EU cohesion policy, to designing and implementing the programmes for their respective areas to closely following and guiding the approved projects and their applicants.

The participation of a broad range of actors and the cooperation between state and regional institutions suggest a tendency towards shared responsibility and authority between the territorial as well as societal levels. Since state ministries and agencies still claim a decisive role, however, the implementation of cohesion policy has not led to an extensive delegation of power to the subnational level, as one might observe in other European countries. The relationship between central government and municipalities and counties in Sweden has been, nevertheless, affected, though possibly in a rather positive manner. The inclusive and cooperative approach of the structural funding process has rather furthered a dialogue than increased tensions between the levels. The benefits of an increased involvement of local and regional actors and enhanced consideration of their ideas and concerns regarding questions of regional development have already been recognised and were translated into procedures of national decision-making.

The process related to EU structural funding in Sweden, furthermore, stimulated activity of municipalities and regions in Sweden, though not uniformly. Those who are actively seeking contacts, establishing coalitions, presenting ideas and solutions, are, however, likely to benefit most from funding opportunities and cooperation arrangement, as the case study confirms. Innovative institutional settings and an open, flexible arrangement of actors characterising the structural funding process in Sweden additionally supports the assumption of network-like, non-hierarchical structures prevailing in today's Europe. Close and regular personal contacts between involved stakeholders add to an increasing degree of trust and interdependence. Another stimulating factor is visible in the exchange of knowledge and experience among actors from different sectors and especially different countries. Interregional cooperation and especially cross-border activities are encouraging and inspiring with regard to methods and ideas that can be adopted from other regions and can even strengthen a region's confidence and identity.

The study of cohesion policy in Sweden draws a picture of a remarkable involvement of subnational actors in designing and implementing EU Structural Funds while drawing on cooperative, open, and inclusive organisational settings. Local and regional authorities have possibly gained influence beyond the mere application of EU requirements. These processes contribute to a system of Multi-level Governance in Sweden, while not merely containing the central government's power, but rather enabling new forms of cooperation between the different territorial levels. Therefore, theoretical assumptions on changing spheres of influence, interaction and interdependence of actors within a state and Europe more generally, to a significant extent hold true for the case of Sweden. Nevertheless, the specifics of the Scandinavian country affect the EU cohesion policy's impact on its regional level as well. Remaining control of state authorities in the structural funding process, an approach of dialogue and cooperation of actors of different spheres and uneven levels of activity of single regions are evidences for the specificity of the case. In this respect, the study might contribute to a more adequate description of how EU cohesion policy is making an impact in EU member states and will hopefully trigger further thoughts and discussion.

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10 Interview Overview

Interview Nr. 1	Employee of Öresundsekretariatet
Interview Nr. 2	Employee of Öresundskomiteen
Interview Nr. 3	Employee of Region Skåne
Interview Nr. 4	Employee of Tillväxtverket
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