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The Bargaining Region (Project report: Regionalization and Multi-Level Governance)

Fernández, Christian

1998

LUND UNIVERSITY

PO Box 117
221 00 Lund
+46 46-222 00 00

CHRISTIAN
FERNANDEZ

THE BARGAINING
REGION

Department of Political Science
Lund University

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Christian Fernandez

Christian Fernandez, född 1971, är doktorand vid Statsvetenskapliga institutionen vid Lunds universitet.

Contents

1   The region as bargainer

1.1 Aim of the study

The following pages are devoted to the study of the bargaining region as a contemporary phenomenon in Western European politics. Departing from the changing preconditions of intergovernmental relations within the post-modern state, it tries to capture some of the essence in subnational regionalization by focusing on how regions bargain for increased autonomy.

1.2 Regions on the uprise

During the last couple of decades representatives of subnational regions have bargained successfully for increased autonomy vis-à-vis national governments. In a number of Western European countries a third tier of government at the intermediate level, the meso (from the Greek 'mesos' for middle), between the national and local has emerged that is constantly growing in importance. It is the result of a conjunction in time and space of a number of macro- and microdevelopments occurring in the European arena and within the postmodern state, but also a factor that in the long range will have a decisive influence on European politics:

> [T]he meso constitutes one of the most important institutional changes in the modern Western state that has occurred over the past couple of decades. Important not simply in terms of the power that it wields in some countries, but also because in its extreme form the meso not only has changed the character of the state, but can pose critical questions about the very nature of the unitary state and its continuing utility or relevance as a concept in political science (Sharpe, 1993, 1–2).

The main underlaying reason for this institutional change has been the subject of much debate and a number of scholars have tried to find some kind of general trait in the different processes of regionalization. Many of these investigations have suffered from an obvious lack of systematic comparisons leading to oversimplified generalizations about the similarities between different cases (Johansson, 1995, 118). Not seldom they rest on a foundation of assumed homogeneity among the different regions that simply does not exist.

On a very general level, the core behind different processes of regionalization is constituted by a general conception within the region that for some reason the unitary state is incapable of fulfilling some of its responsibilities in a sufficiently effective way. It may originate from a notion of the government's inability to guarantee a minimum level of democratic legitimacy or the preservation of a specific regional culture. It may also arise from the failure to promote economic development as well as regional development in general (Sharpe, 1993; Johansson, 1995, 17–18; Jacobs, 1984). The European integration project plays an important role in this context, by weakening national borders and opening up a whole arena of possibilities and challenges to subnational governments. The EU is not the prime source of regionalization, but it has the ability to strengthen it considerably by providing alternatives and ideas of regional prototypes, at the same time as diminishing the gate-keeper rôle of the central administration. It is a common source of inspiration and through the principle of subsidiarity, which implies that political decisions are to be taken at as low as possible a level of government to enhance both effectiveness and democratic anchorage, it provides the bargaining region with a powerful decentralization argument (Gidlund & Sörlin, 1993, 161).

1.3 Interdependence and intergovernmental relations

The answer to the deficiencies of the state that is repeatedly put forward by the region is of course decentralization of competencies and increased autonomy. The process of regionalization is in all essential respects, and almost per definition, a bottom-up movement. It is initiated

and driven by the region, and as such it poses a challenge or even a threat to national governments—as Sharpe notes in the above quotation—who more often than not demonstrate considerable reluctance to compromise their internal sovereignty. The very process by which this institutional change is taking place is especially interesting, since it is both the cause and the effect of a gradual shift from a vertical unilateral model of intergovernmental relations to an increasingly horizontal bi- or even multilateral model. The phenomenon has been studied by many prominent scholars in Germany, where this development has been discernible and growing for several decades (see e.g. Scharpf, 1978, 1996). Although the German federation with its multiple levels of government, especially the powerful *Länder*, represents an extreme in the European context, there are indications that *politikverflechtung* or *multilevel governance*—the interaction and interdependence of various levels of government—is a characteristic of other Western European countries as well. This, of course, is a process which is promoted by the addition of a supranational government and the complex decision-making structure of the EU:

> Regions just like nations become members of a 'penetrated system' (Rosenau 1969, *cited*), i.e. a system which is not just influenced by external actors powerful enough to impose their will from the outside, but a system that makes 'external inference' legitimate" (Kohler-Koch, 1997, 4[italics: my words]).

The situation is characterized by increased interdependence between state and region. Economic internationalization, foreign penetration, the evolution of information technology and the need for fast decision-making, in combination with the uncertainties and multidimensional challenges of the European integration, call for flexible and pragmatic solutions. Since autarchy is not an alternative, decentralization or at least some form of downward delegation of national competencies will be a natural reaction, although reluctant, in order for the state to confront different societal problems in an effective way (Johansson, 1995, 54; Stenelo, 1990, 328–338). The downward flow of competencies may reflect differing interests and varying degrees of opposition on behalf of central governments, but, as was stated earlier, the state is just *re*acting

to the initiatives taken by the regions. Hence, from this point of view it is a process that not unexpectedly would lead to highly asymmetric solutions, not just between, but also within nations; a socalled "European mosaic" (Johansson, 1995, 54–55; Veggeland, 1992). Regionalization takes place according to each region's specific conditions and the outcome is clearly contingent on the actions of the region itself. In other words, it is a process where bargaining on behalf of the regional representatives plays a central role.

1.4 Purpose and disposition of the study

The purpose of this study is to explore how regions use bargaining power vis-à-vis national governments to gain more autonomy. In order to do so, it is necessary to merge two very different fields of research, theories on bargaining power and regionalization, to construct a theoretical model that can be applied on empirical data material.

The analysis is based on three assumptions: 1) Bargaining is an essential element in the process of regionalization, due to a gradual shift from the traditional hierarchical to an increasingly horizontal model of center–periphery relations within the modern state. 2) The bargaining power relation between strong and weak states, on the one hand, and central state and region, on the other hand, are comparable. This assumption is motivated by the fact that international and national politics are moving towards one another on a continuum without any clear division between the two systems. 3) As a result of the second assumption, the bargaining style of subnational regions, will resemble that of weak states, in power asymmetries where they represent the generally weaker end.

The following chapter (two) is a theoretical discussion of the aspects of bargaining power relevant to regionalization theory. It results in a hypothesis about how the region may use bargaining power successfully toward the national government to gain more autonomy. In chapter three that hypothesis is tested on the case of the regionalization process in Skåne. After an evaluation of the case study, the analysis is extended

in the fourth chapter to a discussion of what the implications of the findings may be in an EU context. Finally, chapter five concludes the dissertation by a brief, high-lighting summary, and some reflections on the comparability of the relation between strong and weak states, on the one hand, and states and regions, on the other hand.

1.5 Methodological approach

1.5.1 Design of the study

This investigation should be regarded as the first struggling steps on a scientific journey into the bargaining dynamics behind subnational regionalization. It seeks to shed new light on an existing field of research, regionalization, with an established flora of theories and concepts, by exploring a hitherto practically unexplored one, region-state bargaining. Thus, its primary methodological purpose is to design useful hypotheses that, whether they are confirmed or infirmed, can be applied as starting points or analyzing instruments in future investigations.

The dissertation is designed as a qualitative, and what Lijphart calls, *hypothesis-generating case study*: "[It] start[s] out with a more or less vague notion of possible hypotheses, and attempt[s] to formulate definite hypotheses to be tested subsequently on a larger number of cases" (1971, 692). Hence, its results are important not just in terms of the facts it may reveal about the case, but mostly because of the theoretical generalizations that it proposes (ibid.; Lundquist, 1993, 105). In this study the "notions" that provide the basis for the hypotheses are the three basic assumptions presented above; i.e. (1) that bargaining is an essential element in regionalization, (2) that the bargaining power relation between state and region resembles the one between strong and weak states, and, consequently, (3) that the bargaining style of the region will be similar to that of the weak state. The first assumption is not directly tested here, but if it is false we would expect the others to fail in explaining any important component of the case. The other two (2 and 3) are closely connected, and even though only the last one (3)

is explicitly formulated into a hypothesis applied on the empirical material, the results of the analysis are highly relevant to the other one (2) as well. The theoretical implications thereof are discussed in the last chapter.

1.5.2 About the material

The empirical material of the investigation derives from a case study of the regionalization in Skåne, Southern Sweden. Due to the closeness in time of the studied object, the written material on the subject is scarce and mostly very shallow from an analytical viewpoint, such as newspaper articles and the like. Furthermore, some of the correspondence has provided useful insights in the development of the bargaining process, but not nearly enough to get a holistic understanding of it. Therefore, the empirical part of the investigation relies heavily on the material from six in–depth interviews[1] with actors who in some way were deeply involved in the process and followed it closely. The original intention was to carry out a larger number of interviews, but due to the short time available to write this dissertation (1 1/2 months including interviews), and the difficulties of tracking down and contacting the people that were involved in the process, that ambition had to be given up.

The interviews have been carried out in accordance with the elite interview method, in as much as they are based on the respondents's special knowledge about the object being studied (Stenelo, 1972, 29), and not because of the respondents being regarded as representative in any way. Still, to get as complete as possible an image of the process, people from three different perspectives have been represented in the interviews: Three representatives of the Scanian perspective, two of the central administration and one "neutral" of the appointed working committee, *Regionberedningen*. Consequently, the questions put to those interviewed have not been exactly the same, but based on each

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[1] I would like to express my deep gratitude to the subjects of the interviews without whom this dissertation could not have been written. I am truely amazed by their interest in my project and their willingness to take the time, in some cases up to 1 1/2 hours, to answer my questions, in spite of their over booked schedules.

interview subject's specific connection to the process, leaving room for them to express their own observations and reflections, that have been valuable in the unraveling of the events occurring under the surface. Since bargaining and negotiations to some extent may be surrounded by an air of semi-secrecy, the predominantly semi-structured form of the interviews has been combined as much as possible with the conversational approach, in order to create a more informal atmosphere (Sannerstedt, 1992, 17; Patton, 1987, 110–111)—although a tape recorder was used for the sake of accurate documentation in all but one interview.

The interviews will only be referred to as a general source, without connecting statements with specific names. The reasons for this are three: First, as stated before, because the respondents's relevance to the study does not derive from their being representative of any political party, institution or other group of people, and secondly, because some statements might put the source in an uncomfortable situation, were they to be read by some of the other people involved in the process. Therefore, since there is no apparent reason for making direct references, it may as well be avoided. Thirdly, the aim of the interviews is to find out what really happened, not the respondent's personal interpretations. Hence, all possible misinterpretations or wrong conclusions about the analyzed events should be blamed on the author and no one else.

2 Bargaining power and inter-governmental relations

2.1 Bargaining power—the making of a strong case

"[B]argaining is a process of developing tactical action from motives and intentions that are, in turn, grounded in the bargaining context" (Bacharach & Lawler, 1981, 41). Frequently, including in this study, it is defined as a broad concept of which the "formalized and explicit process" of negotiation is just one of many forms (Jönsson, 1978, 395 n.1). It includes not only various kinds of verbal communication, but also the actions and non-actions of the bargaining parties that may influence the outcome of the process. The bargaining situation is surrounded by a structure consisting of certain objective facts that cannot be altered, i.e. a set of rules, that pose certain limitations on the actors. This structure, however, also includes subjective conceptions on behalf of the parties, and as such it can be influenced by them. The structure is not fixed and during the bargaining process it is under the constant influence of the actions of the bargaining parties (Zartman, 1991, 65). Thus, the concept *bargaining power* may, somewhat simplified, be described as emanating from the distribution of power assets in that structure, through the ability to transform them into concrete actions and the ability to influence the very conception of their distribution (Bacharach & Lawler, 1981, ch. 2,8; Borell & Johansson, 1996, 114–116).

2.1.1 Issues, relations, resources, assets and strategies

Power is related to *issues*. A common fallacy in the study of power is a tendency to perceive it as an omnipotent resource in the hands of one actor who has the ability to use it whenever and wherever. The realist school's notion of power, for instance, with its simplistic emphasis on

the military aspects of the concept and the power balance relation between the U.S and the Soviet Union, clearly suffered from this deficiency. No resource is equally valid regardless of the context and no relation is constant over all issues. Therefore, any analysis of bargaining power must consider its issue-specificness: "The notion that the effectiveness of power bases depends on context and varies from issue-area to issue-area makes eminent sense from a bargaining viewpoint. Bargaining presupposes issues" (Jönsson, 1981, 250). Not seldom, the most important phase of bargaining is deciding *what* to bargain about, since each party is likely to be aware of their weaknesses on different subjects. Clearly, the initiator has an agenda-setting advantage here, since he or she may decide, not just the issue, but the relevant angles and aspects of it.

Power can generally be described as originating from a relation between two or more parties, where one of them has a greater ability to influence the actions or non-actions of the other/s (Dahl, 1976, 29). It can be active, *sender power*, or passive, *receiver power* (Zartman, 1991, 68–69). In systems or polities with high levels of mutual dependence between the actors, such as the EU for instance, it is often described as deriving from an asymmetric interdependence, where one actor, A, has more control over resources (e.g. military force, money, land, decision-makers, networks, authority etc.) than the other, B. Hence, the power that A wields is the result of his lesser dependence on, or vulnerability to, B, than vice versa (Keohane & Nye, 1977, 10–12). In this study, however, it should be strongly emphasized that the notion of power as originating from asymmetric interdependence, although an illustrative description of power relations in general, does not tell us anything about the dynamic exercise of it in specific situations. Therefore, a clear distinction between overall *resources* and *relevant resources* needs to be made:

First of all, focusing on their distribution, the total amount of resources that one actor has corresponds to his potential of *total power*. When they are compared with the total amount of the other party's resources in a relation, they are called *relative power* potential, which can be negative or positive. Yet, most importantly, and often neglected, all resources are not relevant in each issue or situation. The monopoly of

the legitimate use of violence, for instance, is not an applicable resource in negotiations about decentralization of state competencies to local or regional levels. Therefore, only the *assets*, the resources relevant to the situation, are of interest in the specific case, since it is they that determine the potential of one actor's *absolute power* in any bargaining context.[2]

Secondly, bargaining power is not synonymous with the potential of assets, but has to be exercised. If the assets cannot be transformed into actions, they are useless. Furthermore, the ability to use them well ultimately depends on bargaining strategy. Consequently, even though a stronger actor has a general power advantage, due to more control over resources, and may as well have a particular advantage, because of a greater amount of bargaining assets, his opponent may still have a more efficient strategy, and therefore walk away with the better deal at the end of the day.

Relating this to the bargaining situation of the region vis-à-vis the state, it is clear that the region, the relatively weaker party of the asymmetry, must choose a strategy which depends less on aggregate resources, and more on the issue-specific advantages that it may have in a specific situation. The question is concretely *how* to do this. Some scholars of international relations have taken interest in a similar question: How do generally weak states bargain successfully with generally strong ones?

2.1.2 Why small states win small wars against big nations

The classical fascination of the David-Goliath phenomenon, where the seemingly weak defeats the seemingly strong, has in international relations theory primarily been concretized in a number of studies on unexpected outcomes of wars between big and small nations. In the Cold War era special interest has been focused on the U.S defeat in the

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[2] The definitions of total, relative and absolute power are my own, and designed only with respect to the clarity of the discussion. For another definition of the terms see: Bacharach & Lawler, 1981, 65.

Vietnam War and the French fiascoes in Indochina and Algeria. An often cited explanation of the outcome of these conflicts is the weaker nation's total *commitment*; a greater readiness to fight and to make sacrifices for a cause valued higher than anything else, including the soldiers' own lives (Mack, 1975, 175–77; Lebow, 1996, 101; Hopmann, 1996, 104). Another explanation, closely related to the first, is the internal weakness (i.e. lack of unity) of the bigger state, demonstrated in Vietnam by the growing forceful opposition from the home front, and in Algeria by the crisis of the French government in the late 1950s (Mack, ibid).

In bargaining theory, commitment is often treated with ambivalence, because it may stem from a high degree of dependence on a certain desired outcome and few available alternatives to an agreement, implying low bargaining power (see especially Bacharach & Lawler, 1981). In my opinion, however, this cautinary remark does not serve much purpose, because if commitment in a specific situation derives from some sort of dependence, then the dependence, and not the commitment as such, is the source of weakness. Rather, in the context of asymmetric interdependence, the most powerful bargaining instrument of the overall weaker party, is the mobilization and manifestation of a strong commitment. It can be described as a great willingness to invest resources and time on an issue that may be more essential to it, than to the stronger party (Habeeb, 1988, 132, 144; Habeeb & Zartman, 1986, 49–51; Lebow, 1996, 98–99): "[C]ommitment in the sense of aspiration is the weak actor's best hope for creating and maintaining a favorable issue power balance. It is the one component of issue power that cannot be increased by aggregate structural power resources" (Habeeb, 1988, 132). Typically, it is demonstrated as a widely superior attention and active involvement of the weaker actor in the bargaining game. Furthermore, internal unity is an essential prerequisite to this commitment. In bargaining asymmetries it tends to be strengthened in the weak actor and eroded in the strong one, as a result of the widely differing scope of significance that the cause may have to the actors involved (Jönsson, 1981, 255).
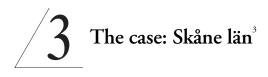
The second essential component of weak actor bargaining strategy may be summarized as manipulating alternatives to bargaining agree-

ments. Actions are the results of subjective perceptions of the relative power structure and as such they are always redefinable under the course of the bargaining process (Habeeb, 1988, 10–13; Sannerstedt, 1992, 245). By trying to influence the stronger party's perception of that structure, i.e. his **b**est **a**lternative **t**o **n**egotiated **a**greement (BATNA), the weaker actor may render the opponent more favorable to a deal (Fisher & Ury, 1982, 100ff). This strategy may involve *issue-escalation*, increasing the conceived severity of a problem or the importance of a value, in order to make no agreement a less satisfactory alternative, or *issue-linking*, making that problem or value more complex and multidimensional, thus enhancing the need for a deal (Jönsson, 1981, 253). Generally, the ability to present a resolve that is seemingly effective, rational, just or legitimate is a strategy that will interest the weaker party more than its opponent: "If the opponent has the muscles and you the principles it will be to your advantage to let the principles play as big a role as possible" (Fisher & Ury, 1982, 103).

One of the most common strategies of weak actors in international bargaining is different forms of actor-linkage, implying the involvement of an actor that might not have been anticipated by the stronger party, thus decreasing the stronger party's BATNA. One form is coalition building, which requires the more or less active participation of one or several outside actors in the bargaining process (Habeeb, 1988, 70). Another form of actor linkage is the two-or multi-level game (see Putnam, 1988), which refers to the indirect concern of a third party that decisively restricts any concessions on behalf of the weaker party (Schelling in Jönsson, 1981, 253; Jönsson, ibid.). In the regionalization context, two-level games are probably most prominent when the region is represented by a political party, that can refer to internal party divisions or strong regional interests that limit the capacity to act of the bargainer. Simulating such two-level games can be an effective strategy to reach better deals, by pressuring the opponent without losing goodwill.

Finally, the impact of BATNA-manipulation ultimately depends on the credibility of the intended threat of retaliation or consequence, because if it is not credible it loses it passive influence. In the Vietnam War the power position of the U.S was much weaker than its super

power-status would imply, due to the fact that the nuclear threat was not conceived as credible on the Vietnamese side (Hopmann, 1996, 104). In the generally much more peaceful bargaining context, the credibility aspect is of equal importance: If the scenario of consequences that the bargaining region depicts is not credible, a 'Europe of the regions' for instance, then the manipulation of alternatives or the proposed resolve has no effect on the opposite party and the outcome.

2.1.3 A bargaining region hypothesis

So far the intention has been to design a hypothesis of what the bargaining strategy of strong regions may look like. The hypothesis holds that the region acts in a context defined as asymmetric interdependence, where it is more dependent on the state than vice versa. From this follows that it has to avoid bargaining games centered on the distribution of resources. By emphasizing the issue-specificness of bargaining power we better understand why the relative power of the stronger party in one situation may be considerably less than its total amount of power. Rubin and Zartman note that weak parties compensate their absence of structural resources by developing clever strategies and not by acting submissive (1995, 356–58). Furthermore, "...the very act of negotiation levels the playing field.[...] Once the game becomes known as negotiation, the rules change and everyone becomes empowered by this transformed reality" (ibid., 362). It may well be, that it in fact is the region that has a relative bargaining power advantage over the state in issues concerning the future of the region, due to its greater commitment and unity, and, last but not least, depending on its ability to link powerful actors and issues, such as the EU and legitimacy respectively, to the bargaining situation. To find out whether this is accurate or not is the purpose of the next chapter.

3 The case: Skåne län[3]

3.1 Decision about a new organization of the regional society

In the springtime of 1991 a 30 year-old discussion about the division of the Skåne region in two counties (*län*), *Malmöhus* and *Kristianstads län*, reemerged on the political agenda of the county council (*landsting*) in Malmöhus. The initiative was at this stage primarily aimed at bringing about some kind of order in "the administrative mess" in Skåne (SOU 1993:97, 48) by a merger of the two counties together with the autonomous city of Malmö (*Malmö Stad*) into one single administrative organ with increased competencies. In late 1991 the informal *Five party-group* was established between representatives of the two county councils, Malmö Stad and the two Associations of Local Authorities (*Kommunförbunden*). After considerable initial disunity they managed to reach a common standpoint about the main outlines concerning the future of the region, which resulted in a petition that was presented to the national government in May 1992 (ibid, appendix 7; Regionförbundet Skåne, 1998/04/20).

Four and a half years later, on December the 5th 1996, the Swedish Parliament (*Riksdagen*) passed a government bill, which implied far reaching changes in the regional organization of Skåne and three other counties, as well as widely enhanced competencies, during a five year trial period between 1997 and 2002. The new decision-making body of Skåne was to be implemented in two phases; first in the shape of the indirectly elected *Regionförbundet*, consisting of 99 representatives of the county councils and municipalities, and then from the beginning of

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[3] This chapter is mainly based on the material from the interviews. Other references are indicated in the text in the usual manner.

1999 and onwards by the directly elected *Regionfullmäktige*, with 149 delegates. Furthermore, the new organization of the regional society includes a greater responsibility for the most important competencies at the regional level: Trade and industry, education, communications, health and medical service, regional planning and environment, culture, dental service, and looking after regional external interests (Proposition 1996/97:36).

The passing of the bill was the result of a long bargaining process, initiated and driven by the representatives of Skåne. The preconditions of it, however, were to be found in a number of micro- and macrodevelopments that coincided a few years prior to the petition.

3.2 Contextual background

3.2.1 Internal problems

The passing of the government bill implied two changes that really were not very related; the merger of the two counties, on the one hand, and the new organization, on the other hand, which included a directly elected council and a large increase in responsibilities. However, much of the dynamic behind the process was initially linked to the former of the two, demonstrated as a deeply rooted dissatisfaction with the administrative division of Skåne. The "administrative mess" caused by the dichotomy provided a very concrete conceptual magnet to which many other problems could be related. One such problem of great weight was the medical service, which was divided into three independent sectors supervised by three different principals. The existence of as many as ten emergency hospitals in the small area of only 10.000 square km was unsustainable from an economic point of view, although politically impossible to alter as long as the same regional administrative order prevailed (SOU 1993:97, 54–55; Landstinget Skåne, 98/04/20). Other issues of great concern were infrastructure and communications. In a natural region like Skåne the growing need for interconnectedness was seriously hindered, it was argued, by the inefficiency and problems of co-operation between two bureaucracies with practically no overlap (Regionförbundet Skåne, 1998).

A strengthening of the region, making it more able to confront a number of societal challenges, was a cornerstone in the regional ambition. This would of course not only require a unification of the two counties, but above all an essential redistribution of competencies between the national administrative organ at the county level, Länsstyrelsen, and the new county council, to the latter's advantage. It was conceived of as a possible answer, in general, to the severe economic recession of the early 1990s, and, particularly, to the difficulties of transformation from industrial to post-industrial socioeconomic structure in Malmö. This city had an old reputation as avant-garde and innovator—"the door to the continent", "the cradle of the Swedish labor movement" and "the Swedish consensus"—that it anxiously wanted to restore.

Overall and throughout the whole region, employment and economic development were core arguments behind the regionalization process; problems that needed to be handled in harmony, by one regional administration, and with increased autonomy with better adaptation to Skåne's specific possibilities (Skåne län, 1998/04/20). Confidence in the Länsstyrelse had been so damaged since the golden years of the 1960s, that nobody seriously believed in it any longer as an effective promoter of regional development. Connected with this issue there was also a legitimacy aspect. The regional map and the future of Skåne should not be determined by a centrally managed organ consisting of appointed bureaucrats. Rather, this was a task of such weight that it could only be left in the hands of a directly or indirectly elected regional council.

3.2.2 Foreign inspirations and challenges

The late 1980s and early 1990s was a time of gigantic historical events with reverberations that spread across the whole world and left no society unaffected. The breakdown of the Soviet Empire leading to the independence of the Baltic states, Poland and East Germany, although primarily an event of national interest and security, had a considerable impact on their neighbor, Skåne. A new arena of business opportunities that previously had been unavailable, began to open up, and the

medieval Hanseatic League was symbolically revived to promote network-building around the Baltic Sea, involving the old regions of the trade company. The return of history and nationalism in Skåne's surrounding world reminded it of its own specific culture, and made it turn to the past in the search of a proper identity.

If the events around the Baltic Sea sent a breeze of regional sentiments to Southern Sweden, the Swedish application for EU-membership gave it a huge push forward. The rhetoric of the 'Europe of the regions' and the 'disintegrating nation state' had reached a peak in the early 1990s and all across Europe regions were proclaiming and preparing themselves for a new EU order. They became role-models and a common source of inspiration to Skåne, a late-comer in the company of regions, but all the more a fast learner. Although the rhetoric periodically was widely exaggerated, there was a real threat or challenge behind it, consisting of the gradual disappearance of national borders that would infallibly lead to much tougher competition between the regions surrounding Skåne. This called for enhanced flexibility and a greater capacity to act independently by Skåne as well as Swedish regions in general (Jerneck, 1991, 41–44; Johansson & Persson, 1992:117, 13ff). An alteration of the organization, mainly through the unification of the two counties as well as the decentralization of national competencies, was required if the region were to concentrate its strength and use its resources in competition with Northern German and Danish regions on the EU-arena (SOU 1993:97, appendix 9; SOU 1997:13, 57ff). In this context, the need for a single representative of the region was viewed as essential. This had become increasingly and painfully apparent on various occasions in the contacts with other European regions.

The globalization of the economy, initiated in the 1970s and exploding in the 1980s, is an often stated and deeply grounded reason for regionalization (see Jacobs, 1984). Generally, the inability of the central government to steer the increasingly complex, fragmented and rapid economic activities within its territory, has given the localities and regions a more prominent role as economic actors on the international arena. Hence, it was only logical that its rising economic independence should lead to increasing demands about corresponding decentralization

of political competencies (Johansson, 1995, 57; Lindström, 1992, 25; Stenelo, 1990, 328–329; Newman, 1996, 110–111).

The most concrete and symbolic incentive for a more autonomous and "continental" Skåne, that has affected the opinion of Scanians in general, was the bridge that is being constructed between Malmö and Copenhagen. The project can be described as the first decisive step forward in an over 30 years long integration process between the two cities that never really spread outside the conference rooms until the early 1990s (Wieslander, 1997). Despite posing a potential threat of polarization between the south-west and the north-east, it has the potential to provide the whole region with an efficient link to Copenhagen and Denmark, placing it only a few hours drive away from the densely populated areas of North-western Germany (Jerneck & Sjölin, 1997; Regionförbundet Skåne, 1998). Without doubt, the bridge has had a reinforcing effect on the search for a typically Scanian identity, especially accentuating the old ties to Denmark (Wieslander, 1997, 108–109). Promoting the crystallization of such an identity is, from a strictly rational point of view, possibly the best strategy for strengthening the internal unity and giving the region a more prominent profile on the external arena. Hence, more than anything else, the bridge across the Öresund strait is a mental one; a monumental symbol of a monumental venture aimed at transforming Malmö into an international, competitive, post-industrial city, ready to take on the challenges of the next millennium (SDS, 1998/05/17, B1–3).

3.3 The process: Pivotal events

3.3.1 Round 1: The petition

The forming of the Five-party group was the first important step on the path of regionalization. It required not only the cooperation between conservatives, Moderata Samlingspartiet (M), and social democrats, Socialdemokratiska Arbetarpartiet (S), but also the voluntary building of a coalition between five highly independent institutions, the two county councils, the two associations of local authorities and Malmö Stad. To reach unity around a few central goals, primarily the merger

of the two counties, was quite an extraordinary achievement, considering the history of conflictive Scanian politics. It was the first demonstration of the firm commitment that would become characteristic throughout the process. The alliance was hard won, though. The interviewees that were involved in this initial phase describe the deadlock of the first meetings where each party merely acted as defenders of the interests of their own institutions, and each session felt like it was going to be the last. But gradually, the will to accomplish a change to a common problem proved to be stronger than ideological or formal disagreements, and finally, in May 1992 the group was able to agree on a petition that was sent to Stockholm. The petition was followed by a host of visits, phone calls and letters, making it clear to the Civil Department of the government—later to become the Department of the Interior—that this was not an issue that was going to end up in the bottom of a pile of papers. The minister and his staff was left no peace to work under the intense pressure of the Scanians, and, in the words of one observer, it became "necessary to get the question out of the department to a parliamentary investigation as soon as possible". Consequently, a neutral working committee, *Regionberedningen*, was appointed at the end of the summer by the department to oblige the representatives of Skåne.

3.3.2 Round 2: Regionberedningen

Soon enough it would show that the appointed committee was much more in favor of regional reforms than the government in general. In contrast to previous ones, it was characterized by a much greater consensus and constructive spirit, and most importantly, the head of it, Elisabeth Palm, turned out to be a regionalist advocate, which surely was anything but expected by the appointing government. Furthermore, the conditions were different this time. Before, there had always been a firm coalition between the local level—traditionally very strong and important in Swedish politics—and the central administrative organs on the county level, Länsstyrelserna, obstructing all sorts of regional reforms. This time, however, the municipalities were gradually being won over to the side of the Five-party group. The latter's strategy

was very clear on this point: In order to gain legitimacy in the eyes of the government, the movement had to be as deeply democratically rooted as possible, by winning the support of elected local representatives. This was cleverly done by getting them as involved as possible in the work, especially the ones that were skeptical. Little by little most of them were swept away by the inherent force of the process.

In November 1993 a first report, SOU 1993:97, was released by Regionberedningen. In it the committee expressed a general recommendation that the two counties of Skåne should be united in one region, assume more responsibilities and initially be lead by an indirectly elected council, as requested by the region itself (SOU 1993:97, 78–79). However, this recommendation was not greeted with much enthusiasm at the central level, and the investigation had to proceed without any positive reinforcement at all from the government. This was a serious setback for the Five-party group that had hoped for a greater accordance between the committee's recommendation and the government's standpoint. Nevertheless, instead of giving in the Scanians responded by reinforcing their organization, substituting the Five party group with the more democratically representative Skånestyrelsen, which included all the political parties, not just the two biggest (S and M). Through this restructuring another 50–60 politicians were tied to the process. Special work groups were founded to follow and influence all developments of interest, and big meetings and discussions were held to improve coordination of the region's efforts. Overall a tremendous amount of time and resources was invested to reach a satisfactory agreement. The actors on the regional level gradually maneuvered themselves into positions where they could not turn back or stop the ball that they had put into motion from rolling. The farther the process went and the higher the stakes became, the higher would have been the cost for any party who decided to step aside, taking the whole blame for any eventual failure. This chicken-race was, according to one of the civil servants involved, one of the corner stones that held together the coalition.

The final report of Regionberedningen, SOU 1995:27, was presented in February 1995. It did not diverge in any important respect from the first report, except regarding the decision-making regional body,

where it now advocated a directly elected assembly. This unexpected recommendation meant internal difficulties for Skånestyrelsen and especially for the conservative representatives in it, since their party program was explicitly opposed to any intermediate directly elected assembly. Once again, however, the regional commitment proved to be stronger than the ideological conviction—although the chicken-race factor must have been highly influential at this stage—which meant that the representatives of the region could agree on an affirmative statement to the report of the working committee.

Sweden was by now a member of the European Union and Regionberedningen had taken a strong impression from the situation on the continent, referring in the report to the lessened importance of national borders, heightened interregional competition, and the need for decentralization and democracy at the regional level (SOU 1995:27, ch.5). This, of course, was all in accordance with the argumentation on behalf of the region itself. As soon as the report became public the regional bargaining artillery was put into full effect, once again placing the Civil Department under severe pressure. Skåne's hard core of internal unity and its external front of firm commitment, gave the impression of an endurance that scarcely would be worn down by time. At a gathering with all the members of Skånestyrelsen, its strong man, Joakim Ollén, solemnly proclaimed: "We have now reached a point of no return". No one objected.

3.3.3 Round three: A fifth column in the government

The question of increased regional autonomy for Skåne did not only concern the Civil Department, but contained issues of great interest to other departments as well, of which several had a more or less direct interest in working against it. The suggestions put forward by Region-beredningen represented a more radical standpoint than the general opinion of the government, which primarily had been focused on the formal questions of the county division, and not those concerning decentralization of competencies and regional democracy. Further-more, the recommendations of the report implied an asymmetric solution where each of the regions would have different administrative

systems. This was extremely un- Swedish and would severely complicate the homogeneous realization of "national goals", it was argued from the central level. The Departments of Trade and Industry, and Communications, whose ties to the county administrations, Länsstyrelserna, were especially strong, were the most vigorous critics, since the regional reform would diminish their influence and power considerably. The future negotiations regarding the transfer of competencies from these departments, and above all the Department of Culture, would prove to be the hardest and most conflictive. The sentiments of relative deprivation were, without doubt very strong, especially in the bureaucracy. One county governor, Jan Rydh, claimed that experiments with regional administration were highly inappropriate at a time of economic crisis and EU-integration, when the need for strong national coherence was bigger than ever (Råd & Rön, 1995, 6–7); severe criticism that surely caught the attention of a concerned government.

Although it was clear from the beginning that the Civil Department was the only one in the government supportive of the Scanian movement, practically nothing happened at the central level after the final report of the working committee. The minister of the department at that time, Jan Nygren, had no success in influencing the government or the party (S), and it is plausible to assume that he personally may have prioritized other issues more. The persistence of Skånestyrelsen did not diminish, however. Their case had been reinforced by the report, which could not be neglected by the government, and the lobbying continued with the same intensity as before.

Finally, in early 1996 a turning point was reached. The old Civil Department was replaced with the new Department of the Interior, and a new minister, Jörgen Andersson, was appointed. This minister, with a past as municipal commissioner and initiator of the South Swedish lobby group SydSam, soon enough proved to be much more responsive to regionalist arguments than his predecessor. An opening had presented itself to the Scanians. Nevertheless, the ball was still in their hands and it was they who had to convince the rest of the government that this was an irreversible process, if the minister were to make any concession. The spring and summer of 1996 was a hard trial for Skånestyrelsen that did not know what was going on in Stockholm, and there was some

fear that their high demands were jeopardizing the whole deal. Still, it was absolutely essential that the coalition showed no weakness or disunity at this point, which would have made it to the easiest thing in the world for the government to deny the reform. Time after time minister Jörgen Andersson reaffirmed: "I am only interested as long as you are united".

The minister of the Interior had to face firm opposition from the other departments, but as long as he was backed up by a committed Scanian coalition and the consent of the Social Democratic Party Convention from the same year, his demands were legitimate and unstoppable in the long run. Eventually, at the end of the summer of 1996 Skånestyrelsen was informed that the government was going to follow the recommendations of Regionberedningen and propose a bill to Riksdagen. After that, the opposition was defeated and everything went surprisingly fast as issue after issue was included in the bill without any protests from the other departments. At the end of that same year a new law on the regional organization of Skåne's society was passed.

3.4 The exercise of bargaining power

3.4.1 Selecting Issues

Regionalization is a process that starts at the regional level in the form of a general dissatisfaction with certain conditions or arrangements, which then are channeled to the central level of the state. This implicitly means that the region initially has an agenda-setting advantage. In the case of Skåne this advantage was maintained throughout the whole process by giving the opponent no peace to work, overwhelming the department with letters and visits that it constantly had to deal with in one way or the other. When asking one of the interviewees what had been the goals of the government in this process, he answered that there "had not been any cohesive working strategy in the Cabinet Office" and that they had merely been "reactive" the whole time. The administrative mess in Skåne was probably familiar to most ministers in the Civil Department—it was anything but a new subject on the political agenda—but this time it was presented from the region's

perspective, and most importantly, accompanied by Skåne's own solutions. The issues were already determined when the government entered the game, effectivity and democracy (SOU 1993:97, 51–52), core values that hardly could be discarded on legitimate grounds.

Various *issue-linkages* were used by the region to give the case as much weight as possible. At the center of the proposal was the "horrible construction" of the county division, almost presented as the source of all evil. As stated earlier, it served as a conceptual magnet, a very concrete framework to which a host of problems could be traced, and above all, a problem that easily could be remedied by joining the two counties into one. It primarily involved the prospects of a more effective and economical medical system, and better communications and infrastructure, indisputable goals that were completely in accordance with the national ones. In addition to these, a number of other issues were connected to the central theme, such as the need for effective measures to stimulate employment and economic growth. These, however, would apart from a united Skåne require increased regional flexibility and autonomy from central steering. If desperate times required desperate means, then this was definitely the right time for action. Furthermore, a legitimacy aspect was brought into the discussion through the criticism of Länsstyrelsen, that was the institution primarily responsible for these functions at the regional level. Not only was it ill-suited to deal with these problems, but it was also undemocratic and insensitive to the specific Scanian conditions.

Issues from the international arena were also linked to the case of Skåne, primarily the increased regional competition that the Swedish EU-membership would imply. Even in this context a merger of the two counties was desirable since their present size was not sufficient for European conditions. Furthermore, any future administrative arrangement had to be cohesive to be strong, instead of shattered in a number of independent institutions, which meant that a new government body had to be established at the regional level. If it were to act as a competitive representative of the Swedish region, which had to be in the interest of the national government, such representativeness demanded greater responsibility and democratic anchorage. The proposed reform was depicted as a defense not just of regional, but also of

national interests. As important as the selection of certain linkages, was the avoidance of others that would stir up undesired sentiments among the decision-makers in Stockholm. Hence it was emphasized by the Scanians from the very beginning that this would not intrude on the state's internal sovereignty: "The nation Sweden remains. It is not being questioned. It is not any federalist system that we are advocating" (The Five-party groups proposition in SOU 1993:97, appendix 7, 198).

Whereas some themes were toned down in the selection of issues, others were greatly intensified in order to further promote a positive outcome of the bargaining process. One such issue was the question of a Scanian identity. Although not nearly as strong as the Scottish or Catalonian counterparts, it was used as a strong argument in favor of a unification of the two counties, to make the administrative map identical with the cultural one. This factor, which was more irrational than the effectivity arguments, had a stronger potential for popular response than communications or infrastructure, and could be escalated to a question of legitimacy. Due to the lack of any apparent cultural traits, history became the central element in the Scanian identity, with special reference to the past as a prominent province in the Medieval and Renaissance Danish Empire. An exploitable link to the past was the specific history of the administrative division of Skåne into two counties, that had taken place in 1719 as a safety measure of 'divide and conquer' to erode any deviating subnational identities (Tägil, 1994, 15,17). This further added to the symbolic illegitimacy of what otherwise was a mere administrative border.

Yet, the Scanian identity was not just important as a bargaining argument vis-à-vis the government, but also as an idea that strengthened the internal unity of a heterogeneous group of actors. The politicians and civil servants working in the project knew this, of course, and tried to reinforce it as much as possible in the course of the process. It was essential that the participants really felt like participants and not just like representatives of widely varying institutions from different parts of the region. From this perspective, the common Scanian identity was the core of the alliance.

To most politicians at the central level the principal subject in the Scanian case was and remained the proposed merge of the two counties

into one, and not the significantly more drastic changes that the founding of a regional assembly with increased responsibilities implied. The superior knowledge that the Scanian representatives had of regional matters doubtlessly gave them a bargaining power advantage. Their solution to the problems in Skåne was presented as a package deal, consisting of a core question centered on the less important county division, to which secondary, but actually more important, questions like distribution of responsibilities and self-governance were linked. By focusing the regional rhetoric more on the concrete first matter, and less on the latter, one can assume that several ministers never really grasped the more radical parts of the reform, and never really thought of it as much else than a merger of two administrative counties. This probably saved the region from considerable additional resistance on behalf of potentially adversary politicians.

3.4.2 Exercising influence

The most prominent features in the region's exercise of bargaining power were its firm *commitment* and *internal unity*, in which it proved to be much more powerful than its opponent, the government. Above all, regional administration and government were issues of much higher priority to the Scanians than to the national government, whose attention primarily was directed at other issues, such as EU-integration, the economic recession and the unemployment. (In the case of the conservative coalition that ruled between 1991 and 1994, internal problems must have been considerably attention consuming as well.) Thus, whereas the turbulence of politics on the European arena tended to spread uncertainty and fear about the future of the nation state within the central administration, it inspired the regionalization process in Skåne and gave it a big push forward.

The overwhelming commitment of the Scanian representatives was demonstrated in a number of ways: Most obviously by the endurance and persistence with which it pushed the process forward, internally as well as externally. One of the interviewed states that this part of the tactic was clear from the very beginning. This was an initiative taken

at the regional level, a bottom-up movement, and if it were to be taken seriously by the government, the Scanian representatives had to show an extraordinary desire to reach their goal. It did not only require meticulously planned solutions based on facts, on behalf of the Scanians, but above all the breaking of a centralist, nation state–pattern of thinking that was deeply rooted in Stockholm, and made it hard for most government politicians to take an interest in or even comprehend the essence of the proposal. According to several of the interviewees, it was a paramount task just to make the state representatives think in other terms than administrative counties, and appreciate the strength inherent in the natural region. Another conceptual obstacle was the centrality of local democracy in Swedish politics, which made it even harder to convince them of the need for a regional assembly as well. From the regional perspective, the government's perceptual shield had to be broken, if the Scanian arguments were to have any effect. After all, argumentation only consists of words, that can be countered with other words. But accompanied by massive and frequent demonstrations of firm commitment, those words are given a weight and legitimacy, with much more impact on the opposition. In the words of one observer: "The argumentation lacks every importance as long as you do not break through the resistance. [....] This is much more a question of the raw power. Who is it that is capable of driving this question the longest?"

The commitment of the Scanian representatives was based on a great willingness to invest both time and resources in the quest for regional autonomy. One observer notes, not without admiration, the impressive amount of work that lay behind each letter that was sent and each visit that was paid to the government by the Scanians. As stated before, this issue was vastly more important to them than to Stockholm, and if the resource asymmetry of the bargaining process was in favor of central administration, attention asymmetry surely was not. The regional actors kept themselves continuously informed of all developments of interest within the cabinet council, such as internal negotiations and working proposals, and did not hesitate to act without delay if they felt that the process was being stalled, or if things did not go the "right" way. Hence, the government was never allowed to concentrate its strength

and build up a strong "counter attack", and the region never lost its momentum and agenda-setting advantage.

The internal unity of the Scanians was partly a product of their commitment to the cause. Generally, the superior attention and engagement of a weaker actor, tends to result in a "greater cohesion and concentration" (Nye, 1974, 992), which was clearly demonstrated in this case. But the internal strength was also a result of the effective building of a strong and broad coalition. Previously, any attempted reform had always been undermined by the disharmony between the different Scanian actors and interests, especially the tendency of the municipalities to oppose any extension of democracy at the regional level. This had been revealed by several studies. As primary democratically rooted institutions at the subnational level, they were the key element in the process, and had to be won over from the side of Länsstyrelserna to the representatives of the region, if the movement were to attain the legitimacy it needed. The numerous meetings that were held by the Five-party group and later on by Skånestyrelsen definitely played a crucial role in this context. They brought together politicians and bureaucrats from the regional and the local levels, catalyzing the discovery of common interests in a unified and stronger Skåne, and thereby making the inclusion of local representatives in the coalition a reality. This widely increased its impact and penetrative ability on the central resistance.

All of those interviewed emphasize the centrality of the Scanian unity. As one of them stated: "What possible argument could the government have for going against the will of a united Skåne?" The exposure of that unity was absolutely crucial to the Scanians, and although there were internal disagreements, these could not be allowed to escalate or to be visible from the outside. For the sake of that cause, the conservative representatives in the coalition went against party ideology, which was explicitly against any directly elected assembly between the local and national levels. Although one of the most illustrative, it was merely one of several examples demonstrating the internal strength of Skåne in this process.

3.5 Explaining outcomes

The Scanian regionalization is the result of numerous influential factors, that have coincided in time and space. Moving on a continuum from abstract to concrete, an attempted explanation must depart from several structural variables that provided the necessary preconditions for regionalism to reach the political surface. Among the most abstract are found the globally reverberating fall of the Berlin Wall, which revived the concept of historical identity, as well as the inspirational implications of a Europe of the regions and the decline of the nation state. Less abstract, and more influential, were the gradual internationalization of the economy during the 1970s and 1980s as well as the expected regional competition that would follow in the wake of EU-membership. More concentrated and direct, was the painful structural transformation, in general, and the economic recession of the early 1990s, in particular. Finally, and most concrete, the administrative mess and democratic deficit of the regional decision-making organs, were the unsatisfactory conditions that triggered off the whole process.

 In this turbulent context, a group of actors struggled for a unification of the two Scanian counties and for increased autonomy from the central level of government. The outcome of their bargaining process with the state was highly influenced by themselves, but also by a few events over which they had no direct control.

 First of all, the personal interest of minister Jörgen Andersson in increased regional self-government greatly affected the outcome of the process. He was far more receptive to the Scanian proposals, than his predecessors and the government in general. Even though Swedish ministers do not have nearly as much independence relative the rest of the government, as for instance British ministers, he was a very valuable ally and a door-opener on the "inside". Secondly, and related to the first, the bringing together under his department of the two institutional sectors that would be most affected by the reform—the municipalities and Länsstyrelserna - made it much easier for him to deal with their resistance. Last, but not least, the surprisingly solid support of Region-beredningen, a neutral expert opinion, in favor of the region was of

great significance. It would have been difficult for any government completely to neglect the recommendations of such a thorough investigation.

Without depreciating the centrality of the above factors, however, the most influential of all was the bargaining power of the region itself, demonstrated by its internal unity and uncompromising commitment. The reason why the question of regional autonomy arose in the first place, was because of a gradual realization among Scanian politicians of the enormous importance it could have to the region. Therefore, quite naturally it was a question that made them much more motivated, than national politicians, to devote countless hours, days, weeks and even years, as well as resources in order to reach a satisfactory deal. This asymmetry in the commitment to the issue was not just a result of differing degrees of motivation, but maybe most of all of involuntary choices made by the government. In contrast to the bargaining region, the bargaining state *could not* direct the same relative amount of attention and resources to build up a "defense" against its opponent's pressures. Simultaneous with this process, the state had to concentrate most of its time and efforts to the innumerable questions related to EU-integration, and to the imminent threats of the economic crisis and unemployment. Furthermore, whereas those different problems implied widely varying bargaining contexts for the government, the region saw the agreement that it was bargaining for as the solution to all of its major problems, which consequently justified an extreme concentration on that specific issue.

The conception of bargaining power as issue specific is of central relevance in this study. It explains why the overall more dependent actor can get a favorable deal from its less dependent counterpart. If power is understood as deriving from an asymmetric distribution of resources, then the central state is, de facto as well as de jure, a relatively much stronger actor than any subnational region. But power varies with issues, and whereas the relative aspect of it explains why some actors generally are more influential than others, it does not tell us anything about the power asymmetry between two parties in a specific situation. Resources are not universal and should be carefully distinguis-

hed from assets, which consist of the resources relevant only to one specific context. In this case, the distribution of bargaining assets was in favor of Skåne, primarily demonstrated by its greater commitment and unity, as well as its ability to focus a lot more of its attention and strength on this issue, than the state could. In 1994 about 100 Scanian politicians were involved in the process plus a large number of bureaucrats, whereas the central administration, although widely superior in manpower resources, most definitely could not spare an equal amount of its own staff on this one issue.

Finally, the exercise of bargaining power is not just about the distribution of bargaining assets, but also involves the strategic application of those assets in the bargaining situation. The use of power is generally associated with conflict and zero-sum games, although it very often, not least when bargaining is concerned, is characterized by tactics, skill and knowledge, rather than raw power. By linking a number of important issues to the main problem, the Scanians were able to build a very strong case, much stronger than any of the government's alternatives. Therefore, this case should not only be discussed in terms of direct influence, but also in terms of the alternatives to an agreement that were available to the government. Whereas a majority of the government representatives initially valued the present system higher than any proposed alternative, the convincing connection of it with a host of serious problems gradually made the Scanian proposal look better than no reform at all. The better resolve of the region's representatives was a bargaining asset that owed much to their strategic ability to make all other alternatives look worse. During the course of the process this strategy considerably improved the Scanians's bargaining power position, which was highly relevant to the outcome.

4 Skåne in a European context

4.1 Western European regions: identity and function

In the case study of the Scanian regionalization there are two basic discernible values inherent in the process: *Identity* and *function*. The former was triggered by the sentiments that were aroused in the wake of the fall of the Berlin wall, and the inspirations from the 'Europe of the regions'. It sought a legitimate confirmation in history by drawing upon Skåne's historical legacy as a prominent province in the Danish Empire. Bargaining from identity involves strong aspects of this legitimacy, based on cultural distinctiveness and varying degrees of injustices committed in the past by the center toward the periphery. Furthermore, identity fulfills an important function as an instrument for promoting the notion of a cohesive community with distinct divergence from the rest of a state, worthy of its own institutions (Johansson et al, 1993, 22).

Secondly, function was the other characteristic of the regionalization in Skåne, demonstrated not only by a willingness to make the regional administration work more effectively, but also by a willingness and determination to take on the challenges of the European Union. Bargaining from a functional standpoint focuses primarily on the changing conditions on the European arena, where the gradual disappearance of national borders and increasing complexity of multilevel governance calls for a new subnational profile (Sharpe, 1993, 23–25; Newman, 1996, 110–111).

In the following, the main outlines of the findings in the case study will be discussed in a European perspective by focusing on what they may imply for bargaining regions in general. Due to the limited scope of this chapter and the absence of further case studies, this brief speculative discussion will depart from a dichotomy, constituted by the two above values, applying them as theoretical ideal-types of the two principal models of European regions.

4.2 Selecting issues

4.2.1 The identity region

The typical identity region is characterized by a strong culture that differs distinctively from the rest of the state, and is in the most extreme cases perceived as a nation of its own. Throughout history, central governments have tried to integrate territorially concentrated ethnic minorities within multi-nation empires, by force and repression, creating deeply polarized tensions between the dominating center and the oppressed periphery. In the cases where such tensions had not been resolved by the first wave of European nationalism (late 18th and early 19th century), they have remained in the collective memory of formerly oppressed minorities as more or less vivid associations of the state with illegitimate rule (Johansson et al, 1993, 22; Tägil, 1994, 17). These regions have potentially powerful bargaining positions in relation to democratic states, because of the serious threat to state legitimacy that they pose (Malmström, 1998, 275), especially if the transition to democracy is recent and the state a relatively vulnerable opponent. In Spain, for instance, the first years of democracy after the death of general Franco was a critical period in many ways. The first government coalitions had to pay an expensive price for the brutality of the *ancien régime*, buying the trust and legitimacy they so desperately needed to govern by making continuous concessions to the Basque Country and Catalonia, who had suffered the most under the dictatorship (Linz et al, 1995, 85).

In identity regionalization, *issue-linkage* and *issue-escalation* are the principal strategies of the region to connect bargaining to issues where state legitimacy may be put in question. It continuously associates to and escalates the indebtedness of the state for historical injustices with a powerful rhetoric focused on normative values, such as democracy and communitarianism (Johansson, 1995, 58–59). An active promotion and exaggeration of cultural divergence, through the "revival" of history and spreading of recognized myths, enhances and puts into focus the relevance of partly real, partly imagined communities.

Characteristically, many identity regions are represented by a political party, defending the culture of the region's population. The question

of cultural identity becomes a central and concrete argument in the rhetoric of pragmatic party leaders, utilizing the existence of a political space in order to gain more power for themselves as well as for the region (Malmström, 1998, 275). In this context, identity serves as a uniting instrument that strengthens the internal cohesion of the population, and thereby the representativity of Scottish, Welsh, Basque, Corsican and other parties. The existence of a political party is clearly a bargaining power in itself. In Skåne the democratic representativity of the Five-party group was a problem, mainly due to the lack of an effective institution that could act as a legitimate spokesman on its behalf. In regions like Spanish Catalonia, on the other hand, where the biggest regional party enjoys the support of almost half of the voters (ibid., 176), the problems related to democratic representativity and institutionalized spokesmanship are obviously well taken care of.

4.2.2 The functional region

Legitimacy as a bargaining issue is not as important in the functional region as in the cultural. Rather, functional regionalization is motivated by a need for greater efficiency in an increasingly chaotic and complex system of multilevel governance. As business, resources and knowledge become regionally concentrated, the asymmetric interdependence between state and region tends to be altered in favor of the latter, decreasing its relative dependency vis-à-vis the central government (Johansson, 1995, 54ff). These regions, especially the ones with strong economic development, argue that efficiency in the competition with other European regions demands less national involvement and more flexibility (Newman, 1996, 110–111) and, moreover, that the regions with a set of corresponding administrative institutions—i.e. some institution of self-government adapted to the interregional competition—will have a relative advantage in comparison with other regions (Nanetti, 1996, 72). The rhetoric is recognized from the case of Skåne where the efficiency argument played a central role.

Regionalist argumentation on behalf of functional regions will expectedly be centered on the radical changes that follow in the wake

of the internationalization of the economy and the disappearance of state borders in the European arena. By *linking* the implications of those changes to the subnational regions and *escalating* the importance of such issues, the region attempts to transfer a conception of reality that is beneficial to its efforts to achieve increased autonomy; a conception which worsens the BATNA of its counterpart, the state. But it will also carefully avoid linkage with radical scenarios like the 'Europe of the regions' and the disintegrating nation-state, and instead emphasize the plus-sum alternatives of the game, i.e. a good resolve, such as the influx of taxable profits that will result from interregional trade and cooperation across national borders. In sum, the core asset of strong functional regions can be described as *functional centrality*; an ability to act as coordinators between national governments and foreign loci of power in transnational networks, which implies not only a sub-national dependence on the central level, but also the reverse (Stenelo, 1990, 328–338; Borell & Johansson, 1996, 129). The relevance of functional centrality is probably most obvious in federations, like Germany, but also in vastly decentralized states with power-sharing schemes, where some regions are much stronger than others, such as the Northern Italian regions in relation to the rest of the state. In its smaller and more modest scale, Skåne's natural advantage as a link to the continental networks evidences a similar potential.

4.3 Exercising influence

4.3.1 The identity region

Commitment was found to be one of the absolutely most prominent elements in the Scanian exercise of bargaining power. Undoubtedly it is characteristic of bargaining regions in general, in the most extreme cases in the form of nationalist terrorism—e.g. Northern Ireland, Corsica and the Basque Country. If the reasons and issues involved in the dynamics of regionalization are widely varying, the way in which they are accomplished is much more uniform; a typical bottom-up character, based on internal unity, and driven by a determined commitment. Still, some variations seem to exist between the functional- and the

identity-grounded prototypes. In the identity region, commitment is likely to be somewhat different than in the functional, due to the stronger influence of normative and popular values, such as culture and history. Overall, it is expected to have a deeper popular anchorage, a broader front and a stronger mobilizing potential, which in the bargaining situation might make it more uncompromising and rigid. Representation by a political party provides the regionalist movement with an effective institution for channeling demands, as stated before, which can enhance the impact of its commitment at the center. On the other hand, however, regionalist parties with a strong popular profile are more vulnerable to fluctuations in voter preferences than an elitist organization, which means that the commitment of the regional representatives, due to their vote-maximizing priorities, will be unstable and highly sensitive to socioeconomic conditions, such as unemployment. Scotland may serve as an example: The ups and downs of The Scottish Nationalist Party were in several cases directly related with the changes in economic growth and employment, where Labour, traditionally strong in Scotland, apparently provided a more secure alternative in times of economic recession (Kellas, 1991, 87–88). Thus, increased autonomy has obviously not always been equally important to the Scottish electorate.

Internal unity is the other central aspect of weak actor bargaining and the fundament of its commitment, which by the endurance that it implies, has the ability indirectly to wear the opponent down. In the identity region the preconditions for internal unity are naturally very favorable because of the existence of a shared culture, and in many cases also a common language, which creates a distinct contrast to the rest of the state. It will in most cases provide a much more permanent internal cohesion than any coalition or artificially created identity, and therefore it is a highly valuable power asset in the bargaining situation, which political leaders are aware of and value highly. In Catalonia, the leader of the regionalist party CiU (Convergencia i Unió), Jordi Pujol, actively increases the significance of the existing cultural differences between center and periphery. By taking up symbolic fights, like the language of street names he preserves the antagonism between Barcelona and Madrid, as a perceived external threat to the Catalan culture on a controllable level, thereby maintaining a firm internal unity (Walker, 1991, 299).

4.3.2 The functional region

The *commitment* of the functional region lacks the popular anchorage that the identity region has and cannot normally be channeled by a political party, but may be just as persistent anyway. It stems from the conviction within an elite that enhanced flexibility and autonomy are necessary for regional growth and development. Although probably less spectacular and conflictive, due to the considerably smaller influence of normative values and principles, the commitment of the representatives of the functional region may be more stable and permanent. It is less dependent on vote-maximization behavior, and more on socioeconomic conditions and incentives that are not likely to change in a short time perspective.

Internal unity, on the other hand, will most definitely be weaker and less reliable, because of the absence of a natural common identity. In some cases such an identity may be created artificially, or strengthened, for the sake of internal unity, to be used as a political instrument in order to gain bargaining advantages vis-à-vis the national government. In other cases, in turn, it may predominantly be the result of successful coalition-building, which can be effective in the regionalization process, consisting of a powerful alliance between trade and industry, on the one hand, and political decision-makers, on the other. In the long run, however, such a coalition will prove to have less capacity to maintain internal unity and to act over a number of issues. The cohesive element that a common interest among the parties of the coalition provides, is not as equally solid a ground over time as identity. In Skåne, this may imply future internal divisions. The former internal fragmentation of the region, not just in administrative units, but also in local identifications, has not been defeated yet and still poses a threat to the unity that was built up against the "external enemy". When that enemy disappears, the unity may disappear with it. Therefore, the active and explicit enforcement of a common identity, is one of the top priorities of Scanian, as well as many other region's, politicians; not for the sake of historical nostalgia, but as a pragmatic promotion of internal strength.

5 Conclusion by mode of reflection

5.1 Regions as bargainers

The aim of this dissertation has been to study how bargaining power is used as an instrument in regionalization. Focusing on the relation between region and state, and the former's ability to influence it, the concept of power as an asymmetric interdependence was used to describe that relation as similar to the one of weak and strong states, from a bargaining point of view. The hypothesis that was formulated claims that the region will avoid bargaining situations based on the overall resource distribution, and instead focus on the issue-aspects that are not directly grounded in the relative power structure.

The results of the case study imply that subnational regions within the EU may use typical weak actor bargaining strategies, as these are described in international relations theory. The fact that regions have an agenda-setting advantage and that the states tend to be mostly reactive to the opponent's initiative, makes it easier for the region to influence the outcome by determining on what issues to focus its case. By linking some issues to the situation and escalating their importance, the region tries to influence the state's conception of the bargaining context (i.e. manipulation of the opponent's BATNA) and accomplish a relative increase in its own issue-specific power.

The most characteristic trait of the region's exercise of bargaining power, is the strong commitment and internal unity that it displays in the quest for increased autonomy. They stem from a superior willingness, and also ability, to devote an enormous amount of time and resources on a specific issue, due to the fact that it affects the region more directly than the state. Although the general power structure asymmetry is in favor of the stronger actor, i.e. the state, the greater engagement of the region may imply an issue-specific attention asymmetry, in favor of the weaker actor. Hence, commitment in the sense of aspiration and

determination, and not in the meaning of desperation and dependence, is probably the main reason why small states win small wars against big states, and why regions regionalize.

5.2 About the comparability of international and national systems

The notion of power as a relation of asymmetric interdependence originally belongs to international theory. It presupposes a high degree of interdependence between states and an uneven distribution of resources, material or immaterial. If the EU is pictured as a mosaic, i.e. an interdependent network of regions and states, the image of relative power as an asymmetric interdependence is highly relevant to multilevel governance (Borell & Johansson, 1996, 114–116; Johansson, 1995, 54–55). It may be described as a policy network consisting of numerous institutions and actors, whose interaction is strongly focused on bargaining (Östhol, 1996, 37ff). However, such a transference of a theoretical approach from its original (international) context is not unproblematic. A couple of important objections could be made that will be discussed below.

The first objection that may arise is that the international and the national systems are qualitatively different from one another. Departing from an absolute definition of sovereignty and assuming that states still are, both internally and externally sovereign, then that objection would have a crucial point. However, the very name 'interdependence' rules out such an interpretation in favor of one that recognizes that the sovereignty of the modern Western state is being reshaped and compromised in numerous ways. Cooperation, as a more or less voluntary compromise of national sovereignty, is becoming more and more necessary and common in this shrinking world where the globalization of the economy is but one of several fields—environment, peace, health, crime, security etc.—that the traditional nation state cannot control on its own. In the words of David Held: "Inter-dependence involves a sensitivity and vulnerability to external develop-

ments, compromising the independence of states, and crucially eroding the boundaries between the internal and external domains" (1995, 25–26). In the EU this evolution is more apparent than anywhere else, especially after the Single European Act (1986) and the Maastricht Treaty (1991), which imply the formal abolition of all economic and social boundaries between the states of the union.

Secondly, state internal sovereignty is also in decline, maybe not eroding but without question limited. Paradoxically, the deepening of cooperation between the members of the EU is accompanied by a trend of growing fragmentation within the states, as not only cultural regions like Scotland, Galicia and Corsica gain more autonomy, but also functional regions with booming socioeconomic developments, like Emilia-Romagna, Baden-Württemberg and Rhone-Alpes, become more independent of national administrations (Scharpf, 1996; Keating, 1993). In fact, it is often said that the national and international systems are becoming increasingly alike. In my opinion that is an accurate observation. If sovereignty is regarded as a relative, rather than absolute concept, it can be stated that nations have become less sovereign, both internally and externally, and that as a consequence *inter*national politics is not entirely *anarchic* and *intra*national politics is not totally *unanarchic.* Interaction between national and subnational levels of government is generally much less hierarchical today than two or three decades ago with strong elements of reciprocity and cooperation. It is a relation increasingly based on multilevel horizontal bilateral dialogue—and less on vertical unilateral command—conditioned by the multidimensional challenges of the turbulent EU arena (Scharpf, 1978; Stenelo, 1990, 328–38; Östhol, 1996, 14, 32ff). Therefore, it must be concluded that the difference in the foundations relevant in most bargaining situations between the relations among states, on the one hand, and national and regional governments, on the other hand, is primarily quantitative, not qualitative. The applicable bargaining instruments will be approximately the same in most cases.

A third objection that may be raised against the comparison of the international and national systems in the bargaining situation concerns the internal unity of the bargaining parties as actors. From a traditional viewpoint, international relations is conducted by homogeneous

actors, i.e. representatives of the states, whereas, on the other hand, a clear-cut division that treats the state and the region as two separate actors on the national arena cannot be made. Subnational governments form part of the nation as a whole and are normally made up of the same political parties as the central government. While this may be a crucial point in many contexts, it is not in this one. The mere fact that regionalization is bottom-up and that national governments always show some degree of resistance, or at least reluctance, toward it (ed. Sharpe, 1993; Johansson, 1995, 44), demonstrates that the main line of division is territory, not party affiliation. Furthermore, as far as the state's lack of complete internal cohesion or unity is concerned, it is not limited to the national arena. Numerous studies show that internal disunity is a frequent element in international bargaining, especially when there is an asymmetry of resources and interest (see Habeeb & Zartman, 1986; Habeeb, 1988). Such disunity is a weakness that strong states have to be wary of. Hence it is not only small states and regions which have to be careful when they pick their fights, but also strong states and national governments.

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