Multi-level Governance – the Case of Umeå

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Preface

Cooperation between different units of local government, horizontally as well as vertically, has become increasingly common in Sweden during the last decade. This case study investigates two cooperative arrangements, both of which include the city of Umeå. These are cooperations between the city and with the county council on the one hand and between the city and neighbouring municipalities on the other. They illustrate two different ways by which a medium-size city may overcome the limitations imposed by municipal boundaries.

The report has been written as a part of a comparative study on city-regional co-operation, initiated by Dr Frank Hendriks, Tilburg University, the Netherlands. It involves 10 different West European cases. An overarching purpose of the city-regional analysis is to gain knowledge about different ways of co-operation, the opportunities they provide, their innovative potential and also their limitations. The study is planned to be completed in 2004 and the results published as a book. However, in addition to the important comparative aspects, the study also permits deeper insights into the specific preconditions of an extensive co-operative structure in a particular context.

The Swedish study has been undertaken within the framework of the Urban Design research project, which is administered by the Centre of Regional Science at Umeå University (CERUM), and includes researchers from the Departments of Political Science, Cultural Geography, Economics and Epidemiology. The research project was jointly financed by EU structural funds, the County Council of Västerbotten, The County Administrative Board, Umeå University and eight municipalities in Västerbotten. I am grateful for the financial support of these bodies and also for the academic support from my fellow researchers.

Umeå in January 2004

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Introduction

The concept “multi-level governance” is commonly used as a way of characterizing and summarizing a set of major contemporary political transformations in the western world. It conveys the notion of a move away from traditional forms of government towards more flexible, network-like modes of governance and it combines with this an emphasis on the governance’s multi-layered character. Governance not only includes vertical patterns of coordination and co-operation among different public and private actors, it also consists of horizontal links between levels. Multi-level governance implies a highly complex mode of policy-making, that may be more easily adaptable to changing needs, but at the same time runs the risk of being disconnected from the more formal mechanisms citizens use to exert democratic influence.

The academic discourse on multi-level governance seems to have had its breeding-ground in two complementary, but quite different perspectives, at least in the European context. The first can be termed an EU-down perspective. A number of scholars have taken the EU institutions as their starting-point, and have investigated how these interact with other levels, in particular, the state and the regions (compare, for example Scharpf 1988, Hooghe & Marks 2001). The argument is that the traditional role of the state has diminished and been replaced with a much more complex system of interconnections between levels. This perspective characterized much of the initial contributions to the work on multi-level government.

On the other hand, there is also a city-up perspective on multi-level governance. Here the focus is on the local level and how multi-level governance may fit into a strategy to increase the city’s institutional capacity. This may occur through cooperation within existing institutions but can also entail the creation of new, more ad hoc and problem driven institutions (Hooghe & Marks 2003). Peter and Pierre observes, “decentralization and European integration have jointly reshuffled institutional relationships and created a system where institutions at one level can enter into exchanges with institutions at any other level and where the nature of the exchange is characterized more by dialogue and negotiation than command and control” (Peters and Pierre 2001:133).

The city-up perspective on multi-level governance recognizes that each city is unique. Every city has its own characteristics and is located in a specific setting with certain kinds of resources, problems and institutions. Therefore, an understanding of multi-level governance from a city-up perspective requires sensitivity to the local context. This case study investigates the way multi-level governance is shaped using the city of Umeå, in Northern Sweden, as a starting-point and examining its links with two other levels of government, namely the county council of Västerbotten and the functional region of the Umeå Region. Cooperation with each level is compared with regard to their purposes, forms, limitations, possibilities and innovativeness. Each level has its specific functions in the structure of the multi-level governance of Umeå. The empirical basis for the analysis is written documents and interviews with key politicians and administrators.

Umeå – an expanding city in the north

The city of Umeå is the largest city of Northern Sweden, which is traditionally understood to consist of the five northernmost counties. This is a vast rural area with a few scattered small and medium-sized cities by the Baltic Sea. The urban core of Umeå has 71,000 inhabitants,
but the Municipality of Umeå, which also includes a few smaller villages and a rural hinterland, has a population of 105,000. Furthermore, there are 137,000 inhabitants in the Umeå labour market area, defined as the area in which a considerable share of the population commutes to Umeå. This area consists of Umeå itself as well as five smaller surrounding municipalities.

The main local institutional actor is the Municipality (kommun) of Umeå. Municipalities constitute the basic tier in the Swedish two-tier local government system. Their major tasks are the provision of various public welfare services; care for the elderly, childcare and other social services, and primary and secondary education. Municipalities are also in charge of physical planning and economic development policies as well as being responsible for local roads and parks, fire protection, cultural institutions and recreation facilities. The main decision-making body is the municipal council, which is elected every fourth year. During most of the 1990s and 2000s the Municipality of Umeå has been ruled by a Social Democratic–Left Party coalition.

Umeå was founded in 1632 as a trading town on the estuary of the Umeå River and soon became the administrative centre of the county of Västerbotten. Sawmills and other wood industries developed during the 19th century. In the 20th century, the town of Umeå increasingly focused on various public services: secondary education, health care, military training and regional administration. Progress intensified in the late 1950s when the hospital was named as the regional medical centre for the four northernmost counties and a medical school was established. After other faculties were added, Umeå University was formally opened in 1965 as the fifth Swedish university. Later, the School of Forestry and several other complementary higher education and research facilities were established. Umeå University now has 25,000 students and 3,700 employees. Through the gradual increase of students and employees the university has contributed significantly to the population growth of the city.

This is reflected in the population development of the city. Between 1950 and 2000, the number of inhabitants in Umeå more than tripled, making Umeå the most rapidly growing of the Swedish medium-size cities (Kåpe 1999). The establishment of the university is regarded as a major achievement for the city serving as a model to be emulated by other medium-size cities.

Nevertheless, there are now signs that this expansion has reached a less intense phase. New universities and other centres for higher education, recently established in other parts of Northern Sweden, now compete with Umeå University for students. Further expansion of Umeå will need to rely more on its ability to be a breeding ground for enterprises of various kinds, ranging from its traditional manufacturing to old and new forms of private services to highly specialized research/ knowledge firms.

In Sweden as a whole, a new pattern of population development emerged in the latter part of the 1990s as expansion was limited to the big city-regions of Stockholm, Göteborg and Malmö and to a few university cities (including Umeå). The rest of the country, including previously relatively secure medium-size cities, is now declining and population prognoses for the next decade predict that this trend will continue (SOU 2000:87).

These expected developments are an important starting-point for the policy-makers in Umeå in developing a strategy for the city’s future. Umeå faces the risk of being dragged into the negative spiral of depopulation and decline. To forestall this possibility a target has been set
of reaching a population of at least 150,000 inhabitants by 2050. That is the threshold above which Umeå would have sufficient inner dynamics, a varied labour market and enough specialization of trades and services to secure a position for the city in the future. In order to reach this target, the municipality of Umeå has to work strategically in the arena of economic development, which includes not only providing various kinds of support to enterprise development, but also stimulating the cultural and recreational environment and ensuring well-functioning welfare services.

Population increase is one strategy, another is to extend the labour market. By improving roads and means of transport, commuting from neighbouring municipalities would be facilitated. Indeed, one of the largest railway projects in Sweden is currently underway in this region. A new 190 km coastal link, the Botnia railway, is being built between Nyland and Umeå, and is expected to be in operation by 2008. This will extend a present high-speed railway along the coast of the Sea of Botnia from Stockholm to Umeå. This should result in an increase in the number of commuters coming from areas south of the city, and thus extend the labour market catchment to include the Municipality of Örnsköldsvik (100 km south of Umeå) with 55,000 inhabitants. A projected extension of this railway, along the coast north of Umeå, was part of the agreement between the Social Democrats and the Green Party, which paved the way for the Social Democratic government to remain in power following the 2002 elections. The realisation of this proposed northern Botnia railway would facilitate the extension of the region in a northern direction.

All these changes take place at the same time as Swedish regional policies have been undergoing a transformation. From the 1960s to the late 1980s the policies had a redistributive focus. The purpose was to foster overall economic growth by reducing disparities between expanding areas and those lagging behind, thus making better use of resources in the less developed areas. The main instruments employed were economic subsidies to firms that invested in peripheral areas as well as new major industrial projects initiated by the government. This policy was reconsidered at the beginning of the 1990s and replaced by a strategy that emphasized the responsibility of the regions and localities to identify their comparative advantages and develop their own assets accordingly (Lidström 2001).

Swedish membership of the EU in 1995 has further challenged the role of regions and localities but also provided resources for more specific development projects. At this moment, Umeå benefits from being located within the Objective 1 area for eligibility for EU structural funds. After 2007, when the new member countries begin to compete over these resources, it is unlikely that this favourable position will persist. This makes implementing the local strategy even more urgent. It also emphasizes the need for Umeå to cooperate with other actors at local and regional levels, public as well as private.

**Västerbotten County Council – the second tier**

The county of Västerbotten, in which Umeå is located, covers an area of 55,000 km², which is larger than Denmark or the Netherlands. Västerbotten has 255,000 inhabitants, of which 75 percent live in the coastal municipalities, particularly Umeå and Skellefteå (72,000 inhabitants). Population expansion is limited to Umeå; the other parts of the county are in decline.
The county corresponds to another tier of local government – the county councils (landsting). County councils were established in 1863 for public services that required a larger population base than that of the municipalities. Their main responsibility is for health care, which includes local health centres as well as regional and specialized hospitals. Health care represents approximately 85 percent of their budgets. Other responsibilities include dental care for the young, care for the disabled, regional cultural institutions, public transport, tourism and regional economic development. It should be emphasized that the county councils have no authority over the municipalities. They are regarded as two separate tiers of local government. The Västerbotten County Council has 10,400 employees, runs three hospitals of different sizes and 36 local health centres. The citizens elect the members of the council every fourth year and during the last decade the political majority has consisted of Social Democrats and the Left Party, i.e. the same as in the Municipality of Umeå.

The other important actor at regional level is the county administrative board (länsstyrelse) which is concerned with regulatory and regional development functions. Its board is appointed by the Swedish government, but its members are mainly elected officials from the region and is headed by the county governor (landshövding), generally seen as the main representative of the region.

Cooperation between the Municipality of Umeå and the County Council of Västerbotten has intensified during recent years. Indeed in 2000, they jointly initiated an inventory of existing links, as a basis for developing a more comprehensive strategy for cooperation. Presently, cooperation takes place mainly in four areas; health and social services, cultural institutions, economic development and administrative efficiency/personnel management.

Health and social services

The interface between municipal social services and health services provided by the county council is by far the most significant of the areas where city and county council responsibilities meet. Coordination of these services involves politicians, managers and employees at various levels. It consists of everything from overarching planning to the provision of day-to-day services. Some activities are continuous and ongoing, others take the form of short term projects. Cooperation covers three major areas - care for the elderly/primary health, psychiatry and preventive measures, and may be more or less formalized.

Care for the elderly and primary health: The drawing of the borderline between these two sets of services has been a matter of continuous debate. In a reform policy enacted in 1992, responsibility for long-stay nursing homes (sjukhem) was transferred from the county councils to the municipalities, together with a substantial number of nurses. Municipalities are now financially responsible for services to those elderly in need of care but not requiring hospitalization. This prompted the county council and municipalities to come to an agreement on a corresponding transfer of tax resources. Once the medical treatment of an elderly patient is completed, the municipality has a vested interest in offering the elderly person a place in a municipal nursing home or some other appropriate form of housing since this is cheaper than a place in the hospital. Hence, there is pressure for efficient cooperation between those responsible for the medical treatment and the municipal personnel in charge of finding new accommodation.

There is a significant number of day-to-day-activities concerning patients and clients that also represent areas for cooperation between the municipality and the county council. Personnel
from the local health centre visit clients in the municipal homes for the elderly. District nurses and physiotherapists from the county council work together with social service personnel in rehabilitation centres. A number of projects, limited in time and with a specific purpose, are run jointly. Projects are typically used when new ways of performing functions are being developed or tested. As a formal basis for the cooperation with focus on care for the elderly, a "cooperation agreement" between the Västerbotten County Council and the Municipality of Umeå is underway.

**Psychiatry:** In Sweden, people with intellectual impairments were treated in institutions, usually run by the county councils, during most of the 20th century. In 1995 a new policy was established giving those with intellectual impairments the right to live under more normal conditions and not be excluded from society. The previous institutions were abolished and certain functions and resources were transferred to the municipalities. They became responsible for housing, support and vocational training, whereas diagnostics, treatment and psychiatric rehabilitation remained county council matters.

As a result of the reform cooperation between the municipalities and the county councils was increased. The Municipality of Umeå and Västerbotten County Council immediately started a joint project with a coordinating body, which seemed to have worked well. However, when the project ended three years later, coordination became a problem. According to the county council auditors (Västerbottens läns landsting 2001), harsher economic conditions have put considerable pressure on the two partners, reducing their ability to cooperate. The municipality claims that it has to bear costs that rightly belong to the county council. The county council’s view is that it subsidizes services which the municipality should pay for. Clearly, cooperation can be particularly difficult in times of constrained resources.

**Preventive measures:** Joint activities are coordinated by a local health advisory board, consisting of politicians and officials from the municipality and the county council. The county council provides information to the municipality on a variety of health indicators as a basis for preventive action. Several activities take place regularly, but there are also special projects.

**Cultural institutions**

Another area in which the functions of the two tiers overlap is the responsibility for cultural institutions. The City of Umeå provides services that are city-related, whereas the County Council has responsibility for the county as a whole. Two institutions are run jointly: the Museum of Västerbotten and the Norrlands Opera/County Musical Institute. Both are legally publicly-owned limited corporations. The municipality owns 60 percent of the shares in the Museum Company and appoints a majority of the board members, including its chairman, while the county council owns the rest of the shares and appoints the remaining board members. In the case of Norrlands Opera the relationship is reversed; the county council is the majority owner. Financial support for these institutions follows the same formula.

**Economic development**

A third area of cooperation concerns general measures aiming at promoting economic development, including public transport. In this field, the City of Umeå and the County Council of Västerbotten are only two of several participating members. The other institutional actors include a number of other municipalities, the Regional Union of Municipalities, the
County Administrative Board and Umeå University. Similar arrangements characterize the purchasing and/or subsidizing of public transport in the county area (*Länstrafiken*), a common information centre in Brussels (*North Sweden European Office*) and distribution of resources from EU structural funds (*Strukturfondsdelegationen*).

**Administrative efficiency/personnel management**

A final interface has an administrative efficiency and personnel management focus. The two units take advantage of the potential for achieving economies of scale by operating as one buyer and by pooling common administrative and personnel management resources. Examples of this type of cooperation are joint purchasing of materials for health and social services, common use of interpreters and coordination of archives.

**Distinctive features**

In this final part of this section we address the question of how can the cooperation between the City of Umeå and Västerbotten County Council be characterized in more general terms. This section links to the previous discussion of purpose, forms, potentialities, limitations and innovativeness of the cooperation.

In essence, there are three *purposes of cooperation*. The first concerns the need to use resources more efficiently. Both units are under pressure to finance increasingly expensive welfare services. With an ageing population, new advances in medical care and the need to be able to compete for personnel with reasonable wages, there will be considerable and heavy future demands on the services. Cooperation can serve to pool scarce resources.

A second purpose is to reduce inconveniences for common clients or for those moving between health and social services. Two different types of local government being in charge of closely related services can create problems for the individual, such as delays in service delivery and reduced quality.

Finally, cooperation may result from overlapping areas of responsibility. Instead of having separate local and regional museums, these are brought together in a common institution. Similarly, economic development may be reinforced if several sources are contributing to its promotion, just as a common interest in promoting public health entails cooperation.

The *forms of cooperation* are characterized by their richness and complexity. The range is considerable from highly formalized relationships to very informal contacts. Public limited corporations, representative boards, and contracts characterize the more formalized relationships, whereas telephone calls about common clients typify the informal ones. Sometimes cooperation is channelled through temporary and focused projects; in other situations it may be a routine process. While co-operation takes place among leading politicians and key administrators, it is most extensive among nurses, social workers, doctors and other employees. Cooperation is typically sector oriented, linking related services to each other.

The municipality and the county council have no power over the other nor does either have any formal responsibility for coordinating the other’s activities. Hence, successful cooperation must be based on mutual needs and mutual agreement in regard to forms, extent and finance. If one of the parties decides to withdraw, cooperation ends. In one sense, these arrangements...
are very fragile, but the mutuality is also the basis for their strength. Full cooperation requires two parties who are genuinely interested in its success.

The potential for this cooperation is that it may lead to improved efficiency, client focus and better services. Because of the increasing extent of coordination, it has become necessary to create more structured forms, in a sense to coordinate the coordination. The inventory and cooperation agreements are examples of such initiatives.

Clearly, there are obvious limitations with the present means of cooperation. One concerns the scope of cooperation, which naturally is restricted to functions where the two collaborating parties meet. The interface defines in what areas it is possible to cooperate. However, especially from the perspective of the Municipality of Umeå, there is a need for broader cooperation, which cannot be satisfied within this framework.

Another problem is related to the separate sources of finance. Those who collaborate get their funds from either the municipality or the county council. Decisions by either to reduce costs can affect the cooperative arrangements and are not always well coordinated. Moreover, as was illustrated with regard to cooperation in psychiatry, there may be genuine disagreement about whether one or the other of the parties is bearing an unacceptable or unfair burden, thus jeopardizing the very basis of the cooperation. This could be conceived as a paradox of cooperation: cooperation is fostered when parties have related tasks but separate funding and scarce resources, yet separate funding may in itself lead to conflict.

Finally, there is a considerable scope for innovation in this cooperation. In particular, the frequent use of projects, with the specific purpose of developing new forms of cooperation and generating experience which can be incorporated into the ordinary relationships is interesting. The efforts at more overarching and structured inventories and agreements are also promising.

The city/county council cooperation model is founded on an interface based on similar or related functions and common clients/patients. However, from the point of view of the City of Umeå, this is not sufficient for its needs. Therefore, Umeå has been part of an initiative to establish a more functionally based region, the Umeå Region. We now turn to a description and analysis of this initiative.

The Umeå Region – a functional region

The relationship between the city of Umeå and its neighbouring municipalities – Nordmaling, Vännäs, Bjurholm, Vindeln and Robertsfors – has not been conflict free. Umeå is the dominant actor, as together the others represent only a third of Umeå’s population. As illustrated in table 1, Umeå also stands out in its rapid population development. The two other coastal municipalities, Nordmaling and Robertsfors, together with Vännäs, have experienced a fairly stable development. In contrast, Bjurholm and Vindeln, situated further inland, have experienced considerable population loss. As a consequence, the intense expansion of Umeå has been perceived as a threat to the surrounding areas: Umeå has been seen as growing at the expense of its neighbours, as well as at the cost of other municipalities in Northern Sweden.
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<td>Bjurholm</td>
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<tr>
<td>Vindeln</td>
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<td>- 21 %</td>
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<td>Vännäs</td>
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Table 1 Municipalities within the Umeå Region: Population, population change and commuting.


In recent years, political leaders of these municipalities have come to view rivalry as counter productive and to seek to establish closer cooperation. The large number of people from the surrounding municipalities who commute to Umeå, and to some extent in the other direction, illustrates the mutual dependency of the municipalities. (In total, more than 4,000 inhabitants commute between the six municipalities each day.)

The creation of the Umeå Region is a story of incremental and gradual progress. It was neither a result of a plan, nor of the actions of a few strong actors. In the 1960s, Sweden was divided into labour market regions (A-region) mainly for statistical and planning purposes with the decisive criterion being a common labour market (SOU 1963:58). Included in the Umeå A-region were the six previously mentioned municipalities. This led to contacts among leading local politicians who, by the late 1980s, were regularly meeting over lunch for informal discussions about matters of common interest.

This meant that the question of which municipalities to include never became an issue among the six members, despite being very different in terms of size and economic development. They saw themselves as natural partners, mainly because they formed a fairly distinct labour market area. In addition, they are linked by the fact that they all belong to the common health-planning district within the County Council and also form a common constituency for the County Council elections.

In the early 1990s, these municipalities, like others in Sweden, were hit by economic problems. Slower growth in the Swedish economy led to cuts in grants to local government in order to reduce the state-budget deficit which increased unemployment, resulting in lower local tax revenue. Simultaneously, additional pressure was put on municipal services to address rising social problems. The municipalities responded by reducing the quality of some services and by seeking means to improve efficiency. In the Umeå A-region, this resulted in more frequent meetings among municipal leaders since it was felt that closer cooperation could be a way to develop more efficient services.

In 1993, the municipalities came to an agreement providing the basis for cooperation. Rivalry was to give way to a willingness to spread labour opportunities in the whole region. In an effort to improve efficiency a joint consultative body, *Umeå A-regionråd*, was established. Even though this was a formalized organization, it had limited powers and lacked its own resources. The next step in stabilizing cooperation was taken in 1994, when the County
Administrative Board provided temporary financial support for a project leader and the structure adopted its present name, the Umeå Region. In recent years, a very important driving force for cooperation has been the availability of resources from the EU structural fund which requires collaboration in joint projects for which the Umeå Region offers a framework.

A flexible network

The Umeå Region is an informal network and has no right to enter binding agreements. Accordingly, the project coordinator is employed by the City of Umeå and each of its projects is formally administered by one of the municipalities. This is viewed as a flexible solution that is non-binding, one that requires the active involvement of each municipality and a consensus among them to function properly. Despite its informal character, the member municipalities regard the cooperation agreement as being very important and long lasting. There have been suggestions to give the region a more formal status as an indirectly elected local government association (kommunalförbund) or even, in the long run, to amalgamate the member authorities into one large municipality. However, at the moment, the network approach is seen as the most suitable.

Two bodies, the regional council and the municipal managers’ group, coordinate the overarching activities of the Umeå Region. The regional council consists of two leading politicians from each municipality, usually the majority and opposition leaders. The chairman of the executive council of the City of Umeå is unquestionably accepted as the leader of the council. The municipal managers’ group consists of the six municipal chief administrators. It meets more frequently and has more operative functions.

More practical coordination is organized through thirteen thematic working groups, each with one representative per municipality. The working groups identify and suggest areas of cooperation, and are also in charge of the coordinating activities that are undertaken within their field. They exist as passive networks, but are activated when a need is identified. This reflects the goal of keeping the organisation flexible.

The cost of participation in joint meetings is financed through the participants’ home municipalities. The budget of the Umeå Region itself is very small. In 2001 it was 1.2 MSEK (120,000 EUR), which essentially just covered the costs of a full-time coordinator and an office in Umeå. Fifteen per cent of the budget was financed by equal contributions from all the municipalities, the rest was divided between the municipalities on the basis of their population.

Coordinated activities

The existing municipal services are the starting-point for the joint activities within the Umeå Region. There are no attempts to provide functions beyond these. Most of the working groups have suggested possible areas of cooperation. Some of these have been realized, and several others seem to be on their way. Sometimes practical or legal problems have made cooperation difficult. One particularly problematic area is the promotion of business development, in which cooperation is still hampered by a culture of secrecy and traditional rivalry between the municipalities.

Existing or planned cooperation today covers a whole range of different municipal services. Municipal tourist services are now run by a joint organisation and the Umeå Region promotes
itself as a common tourist concept. This is also a task where the difference between the municipalities is a resource: City based and countryside activities complement each other. A joint structural fund project on how this can be further developed has received funding. Another example concerns environmental protection. Common planning is developed, such as allowing environmental inspectors from one municipality to make inspections in other municipalities. A third field of cooperation is the gradual establishment of a common fire protection organisation. There are now two coordinating structures within the Umeå Region, but these will soon be merged into one. A fourth example is a common library service, which makes it possible to use the same borrowing card in all municipalities in the region.

Finally, upper secondary education is coordinated. The region is a joint catchment area for all upper secondary schools and some of the smaller schools provide specialized courses for the whole of the Umeå Region. For example, students who want to become bus- or lorry-drivers receive their training in the municipality of Vännäs. This cooperation emerged independently of the formation of the Umeå Region, but has since been linked to that.

One important area of cooperation concerns economic development. The Umeå Region represented the six municipalities in arriving at a regional growth agreement among different local and regional interests in the County of Västerbotten, as well as the central government. With the Umeå Region coordinating the opinions of the municipalities, a common programme on the development of the rural countryside has been produced. Furthermore, the Umeå Region played a coordinating role with respect to member municipalities’ actions targeted at developing joint EU projects within the frame of Objective 1 structural funds.

But, there are also signs of rivalry and competition remaining between the municipalities in the field of economic development. For example, the city of Umeå is planning to establish a new shopping centre in the western outskirts of the city. This is expected to attract customers from outside the city and threaten existing commercial services in surrounding municipalities. Another example is that Umeå wants to establish a new ski slope, but this is perceived as competing with similar enterprises existing in other municipalities within the Umeå Region.

There are also several examples of activities aiming at administrative rationalization. A common IT-system for wage and personnel administration has been installed, resulting in lower costs, less vulnerability and a network of shared competencies among the different municipalities. Joining wage/personnel and IT offices has been discussed but is not likely to be realized in the near future.

Finally, practical cooperation has concerned activities aiming at establishing a common identity. The Umeå Region label is now actively used to create a common identity in the area, both among its politicians and its citizens, as well as when the area promotes itself. In addition, the municipalities are also beginning to coordinate their expressed opinions on topical issues. Particularly with regard to regional development policies, the municipalities have present joint responds to plans and suggestions made by other authorities.

Distinctive features

An analysis of the Umeå Region brings us to the question: what are the particular characteristics of the Umeå Region in terms of forms, purposes, possibilities, limitations and innovativeness of the cooperation?
There are four major purposes of cooperation. First, the very existence of the Umeå Region is a result of an absence of a suitable city-regional entity. A city’s influence normally extends beyond its municipal boundaries. In the area around the medium-sized city, the county territory is usually too large to be functional. An additional factor is that the Swedish county councils do not act as coordinators of municipal activities, contrary to the provinces in Belgium and the Netherlands, for example (Lidström 2003). Hence, there is an institutional vacuum between municipal and county councils, which creates a scope for functional regions, such as the Umeå Region.

A second reason and probably the main motivating factor was a need to improve the efficiency of services. The years of economic problems in the early 1990s forced municipalities to look at ways to abolish duplicate functions and to pool existing resources.

A third reason is a common interest in the economic development of the region. The medium-sized city has to work strategically to promote development, which is facilitated by cooperation with the surrounding municipalities and an extension of the labour market region. For the city’s neighbours, this is a way of participating in the expected development – an objective that has become increasingly important as cooperation has deepened.

A fourth, more recent purpose is to coordinate activities in order to attract resources from the EU. The Umeå Region serves as a framework for coordinating the efforts of the six municipalities to develop such projects.

The forms of cooperation are consistent with the idea of optimal flexibility. Apart from two coordinating bodies, one composed of politicians and another of chief administrators, the organisation follows the principle of only being activated when needed. All suggestions to introduce a more stable and permanent decision-making structure have been rejected. A shared belief seems to be that the organisation only deserves to exist as long as it corresponds to the needs of the member municipalities, not only a few of them, but all. Using a network model minimises the risk that the organisation will start living a life of its own.

However, despite the formal equality in status, which the network implies, it is obvious that the Municipality of Umeå is the strongest of the partners. This position is not only a result of its considerably larger population and financial resources, but is also linked to its function as the economic engine of the region. The other players will never really be able to participate on equal footing.

The potential of the Umeå Region lies in its flexibility. Its form makes it easy to adjust to changing needs and, if it turns out to be outdated, it can easily be abolished. If, however, cooperation turns out to make a considerable impact and the Umeå Region is successful, it is likely that the structures of cooperation will play a more important role in the future, perhaps at the cost of each participating municipality.

However, there are also several limitations in this form of city-regional cooperation. One has to do with its lack of democratic legitimacy. Its decision-making body is indirectly elected. If the Umeå Region were to become more important, it would be necessary to establish a democratic structure that would enable people to influence its decisions more directly. Related to this is the problem of demos. Citizens living in municipalities surrounding medium-sized cities are affected by decisions taken by the city’s council, but they have few ways to influence decisions about city functions, such as the location of roads and shopping centres or
the running of sports facilities and cultural institutions. There is thus a need to develop more systematic consultations with the citizens in the neighbouring municipalities. The issue of whether this should be matched by a financial contribution would then have to be discussed within the region.

Another potential problem is the threat that the Umeå Region may pose to other interests. It represents the expanding part of the County of Västerbotten. The Umeå Region could easily be a means by which the interests of the “winners” are secured against those in less fortunate locales and could create preconditions for a further widening of this gap, according to an argument put forward by other municipalities in the county.

Finally, the scope for innovation should be considerable in this form of cooperation. The flexible structure, the extensive use of projects, and especially the system of working groups are factors likely to promote the emergence of new ideas. For example, the first task for the 13 working groups was to identify and develop possible areas of cooperation. In effect, a precondition for the existence of the Umeå Region is actually that it continues to innovate.

Conclusions

This overview provides insights into two different regional structures (the Västerbotten County Council and the Umeå Region) with which the City of Umeå is increasingly cooperating. Both are important institutional actors within a multi-level governance structure in which Umeå participates. The differences between the two structures of cooperation are reflected in their objectives, forms, potentialities and limitations as well as their abilities to promote innovation.

The County Council of Västerbotten is the natural partner along the interface between health and social services, as well as in areas such as cultural policies and regional development, whereas, the Umeå Region coordinates functions that the municipalities themselves, including the City of Umeå, identify as appropriate for cooperation. From the perspective of the City of Umeå, the two structures are complementary and satisfy different needs for coordination. Apart from these, Umeå is also engaged in other cooperative, multi-level arrangements. Examples are the E12-alliance (which links municipalities in Norway, Sweden and Finland along the E12 highway), the cooperation among the municipalities affected by the Botnia railway project, and membership in the North Sweden European Office (which runs an information centre in Brussels) (Svensson 2001).

One overall objective is common to both: the attempt to improve efficiency due to the need to reduce costs and pool resources. However, there are other impetuses for cooperation unique to each structure. Umeå’s cooperation with the county council has emerged because of an interface of shared clients and closely related functions. The Umeå Region, on the other hand, developed as a response to an institutional vacuum. The municipalities identified a common need for an intermediate, more functional administrative level. Hence, the Umeå Region has a multifunctional scope, whereas the cooperation with the county council is based on a more single-purposed.

Cooperation with the county council takes a number of different forms. For every specific cooperative activity the partners have been trying to find a form that matches its particular
conditions. The Umeå Region, on the other hand, relies entirely on cooperation through networks. In both cases, the partners are equal in a formal sense; in practice, this is probably true only of cooperation between Umeå and the county council because within the Umeå Region the City of Umeå is clearly the dominating actor.

The potential development inherent in the two sets of cooperation is also different. Umeå’s links with the county council could be developed through closer and more efficient coordination of various activities. In the Umeå Region, the potential lies in the flexibility of the structure and its ability to quickly adjust to changing needs.

There are also different types of problems in the two forms of cooperation. With the county council, the desired fair division of costs and responsibilities is not always easy to attain in practice, since both partners want to avoid having to pay a larger share than necessary. Problems for the Umeå Region mainly concern its legitimacy as it is run by an indirectly elected body. In addition, the very existence of the region is questioned, especially among the excluded municipalities.

The two structures of cooperation vary with regard to their degree of innovation. While the city-county council cooperative arrangements here create preconditions for innovation through projects, in the Umeå Region this is built into its very existence. The network model with its flexibility creates a scope for new ideas to emerge and to be tested in practice.

The differences that have been sketched out should not be seen as disadvantages. On the contrary, these two forms of cooperation are clearly complementary. In an urban reality characterized by the need to develop multi-level governance through city-regional cooperation, it should be expected that this would follow different paths, to fit varying situations. The multi-level governance pattern, in which Umeå finds itself, reflects the particular geographical, social, economic and demographic preconditions of this city.
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