Case Study Report: Kalmar County

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RUFUS – Rural future networks

As the objectives of the CAP (Common Agricultural Policy) shift from an agricultural-centred approach to wider rural development, the idea of multi-functionality of rural areas comes into play. This in turn brings the CAP into closer association with a wide range of other policy regimes. These sectoral regimes interact in complex ways; sometimes mutually reinforcing, sometimes contradicting each other, and with a determining effect on the sustainable development of rural areas. The project will address these multifunctional aspects of rural areas. It will assess the possible combinations of policy regimes to build up networks and to ensure sustainable and integrated rural development.

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Executive Summary

Two regions in the south of Sweden – the counties of Kronoberg and Kalmar – have been studied in order to find out how social and economic development strategies are enacted in these rural regions. The aim of the study has been to discover how different sectoral policies are taken into account in the planning system and how the political actors and administrations are helped or hindered by the EU funding system in their work towards a sustainable future of the regions.

The two provinces are similar in several aspects. They are characterized by a medium to strong economy. Agriculture/forestry, manufacturing and the service sector form a relatively mixed labor market. Predominant natural assets of the regions are forests and agricultural landscapes with a high potential for forest industry as well as non-wood products and services attractive for different kinds of tourism. However, Kalmar with its long coastline, well established tourism industry and an island with an agriculture world heritage, has an advantage here.

In 2008 Kalmar had 233’ and Kronoberg 182’ inhabitants which gives a population density of only 21 persons per km$^2$ in both counties. The population figures have had a slight decrease during the last ten years. The average age of the residents is a couple of years above the national average. The relatively strong economic performance is visible in the fact that unemployment is under the national average, although purchasing power is below national average.

In accordance with what is suggested by the RUFUS classification both regions have a highly diversified economy. Manufacturing is the largest branch employing 25 per cent of the workforce both in Kalmar and Kronoberg. This share is by far higher than the Swedish national figures, which are 17.6 per cent. The agriculture/forestry, fishing and hunting sector employ 3.8 and 2.8 percent respectively. The numbers are above the national average but still rather low considering the very rural character of the regions. This can be explained by the fact that soils are of low quality, and the major part of the land is used for forestry. As much as 75 % of the land is covered by forest in Kronoberg.

During the last decade there has been a distinct modification in the balance of authority between the national and the local political levels in Sweden. There is a marked political ambition to shift from a centralized towards a decentralized planning and an increase in the local and regional power. Until 1995 the responsibility for regional development rested with the County Administrative Boards, which are the state authorities in the regions. Today regional development is the responsibility of the Regional Councils, which is an organization mainly, composed of representatives from municipalities and the County Council. This change is reflecting a national ambition to make better use of the local resources in order to ensure good public services. As a result most of Sweden's municipalities and County Councils have in recent years, assumed a greater responsibility for regional matters and various forms of regional co-operation or regional self-governance have emerged.

The appearance of different types of cross sectoral cooperation, which can be found in both counties, is in line with the core features of the current EU approach to policy integration within the area of rural and regional development. This policy integration is enacted by partnerships in a deliberative processing of strategic plans and steering documents within these partnerships. It is held that by creating these documents in a cooperative process the partnerships may shape a common understanding of regional development goals and an integration of the different interests of involved actors. This approach to policy integration has a strong link to the current European Community Strategic Guidelines for Cohesion 2007–2013, as well as to the core ambitions of the European Spatial Development Perspective. These ambitions have been implemented into a Swedish context by a national strategic reference framework. Due to the character of the Swedish case regions, most policies related to rural and regional development are relevant in these regions. The most important being the CAP and
especially the rural development programs, and the European Regional Development Fund (ERDF) and European Social Fund (ESF). In order to develop the regional plans and programs for funding work is mainly done in the following three partnerships:

The Partnership for the Structural Funds which has the responsibility to develop the plans for the regional structural funds – one for the Social fund and one for the Regional development fund. Both case regions belong to the same partnership – The Structural Fund Partnership for Småland and the Island. It is composed of elected representatives of local governments, representatives from the County Administrative Boards, county labour councils, and a range of labour-market organisations and association in the region. The total number of members from democratically elected assemblies should be higher than the number of members from other types of organisations.

These two “supra regional” plans guide the project funding from the European Regional Development Fund respectively the European Social Fund. The Partnership also takes the decisions on which projects to fund. It is assumed that the appointed members of the partnerships should act independent of their regional or organizational interests, and only grant projects that contribute to the objectives of the common plans. It is reported that the development of this “independence from self interest” has increased over time as the plans has become more clear and coordinated and decision and meeting procedures have become better established. There is a wish to coordinate the two funds better, and attempts have been made, but it has proven difficult as the rules for funding are different.

The Rural Development Program Partnerships are established by the regional state authority, the County Administrative Board. The department of agriculture at the County Administrative Board in Kalmar and Kronoberg is responsible for the partnerships in their respective region. The development of the program is made in close cooperation with local actors and representatives of elected assemblies. Over 20 organizations are represented in the partnerships, representing a wide array of interests, from regional authorities, over municipals to interest organizations. It is the partnership’s responsibility to define problems and opportunities/potentials for the region and to rank the priority of issues. To ensure that all aspects and issues are included (nature protection, water protection, building permission etc.) the County Administrative Board has developed procedures to make sure the different issues are taken into account.

The continuous work with the rural development plan is seen as an important tool to anchor and create a bottom up perspective of the rural development. In Kronoberg the rural development program is coordinated with the regional development program. References are made to the goals of this program. In the program it is defined which type of projects that should be financed by respective the ERDF and EARDF.

The third partnership is the Partnership for the Regional Development Program. The Regional Councils (regionally elected assemblies with administrations) are responsible for the Regional Growth Plans and a Regional Development Plans. To create these plans specific partnerships have been created in both Kalmar and Kronoberg. In these partnerships a similar representation of organizations as for the Structural funds can be found; members from the Regional Council, the County Administrative Board and a broad array of regional interest organizations are represented.

These partnerships have no economic engagement but are reported to be important fora for discussions about regional problems and development. The Regional Development Program (RDP) is seen as the overall planning document, an umbrella under which other sector programs are coordinates, such as the Regional Growth Program, Rural Development Plan, Infrastructure Plan, Regional Environmental Plan, Cultural Heritage Program, International Strategy, Tourism Strategy, and the County Council Development Strategy. The programme details the focus and priorities for the development of the region. The program should take into
consideration the local planning in concerned municipalities, and should use existing municipal analyses and programmes. The following conclusions can be made concerning the policy integration and the effects of rural development funding in the case regions:

- In both Kalmar and Kronoberg regions the work of the different partnerships seems to work comparatively well, and serve as a basis for inter-sectoral exchange and coordination. It is argued that the co-development of steering documents in informal and formal partnerships has created a consensus about main priorities and development goals as well as an understanding of the regional characteristics on which the future development should be built.

- The work with common plans and steering documents has given a solid basis on which it is possible to prioritize between projects and different EU funding schemes. Besides it is argued that the plans also may have a long term effect by increasing the coordination of future efforts as the strengths and weaknesses of the regions have been identified.

- Integration of sector perspectives and interests is not new to these counties. In both counties there have since long been an ambition to coordinate different policies related to regional and rural development and the environment. This ambition seems to have been strengthened as a result of the current economic crisis which has increased the need to coordinate national and EU measures to reduce the impact of the economic recession in these regions, where the manufacturing industry is intrinsically linked to the global economy.

- The current way of working with the Regional Development Plan and the partnerships has substantially improved the dialogue between the Regional Council and the County Administrative Board. Although, the fact that an increasing amount of money for development of business in rural areas (EARDF) is handled by the Regional Council is not seen as entirely positive from the state authority’s point of view.

**Policy recommendations to the EU**

Even though Kalmar and Kronoberg already are geographically large counties, the interviewees perceive a need for the counties to merge into an even bigger administrative area. In both Kalmar and Kronoberg Counties it was suggested to merge into one administrative region, in order to become a more powerful actor, nationally and internationally. A bigger region can build a more comprehensive competence and get the power to take more profound development actions in the region, as well as a possibility to establish a more influential representation in Brussels. This can be achieved by coordination between groups of regions but this is not enough. A process for discussion of enlargement of some of the regions is already initiated by the state and this initiative is well received by these two regions.

A current problem in the case study regions is that funds are not always administrated within the same regions, i.e. different funds are not covering the same administrative and geographical areas, which makes integration difficult. A transformation to bigger regions could help to solve this problem in the regions studied.

In line with what is said above the following **recommendations can be made to the EU**

- Loosen the regulations. When the combination of EU, national and regional regulations adds up it makes the Rural Development Program too strictly steered.
- For evaluation and revision it is recommended to introduce methods that can show effects of initiatives – not simply that rules have been followed. EU revisions are too rigid and do not serve its purpose.
- By help of adequate indicators environmental goals should be made more steering,
• Simplify the rules for application to the Structural Funds as it is too difficult to meet the demands for a professional application. The number of rules risk getting the process so complicated that it loses legitimacy among the actors and stakeholders. The administration of ESF, which is not as strict, is a better model.
• Increase similarity of rules between the Regional Development Fund and the Social Fund so that actions can be coordinated in the regions.
Content

1. Description of Case Study Region  
   1.1. Description of Case Study Region according to the RUFUS-Typology  
   1.2. Description of Case Study Region according to additional indicators  
      1.2.1. Land use  
      1.2.2. Leader  
      1.2.3. Educational Standard  
   1.3. Description of Case Study Region according to the Potentials  
   1.4. Actors and institutional Settings relevant for Regional Development  
      1.4.1. Institutions responsible for Decisions concerning EU funds in Relation to Rural and Regional Development  
         1.4.1.1. Regional Partnership for the Structural Funds  
         1.4.1.2. The County Administrative Board  
         1.4.1.3. River Basin District Authority  
         1.4.1.4. Regional Councils  
         1.4.1.5. Municipalities  
         1.4.1.6. Leader  
   1.5. EU-spending in the Region  

2. Methodological Approach  
   2.1. Selection of the Case Study Regions  
   2.2. Document Analysis  
   2.3. Interviews  
   2.4. Workshops / Focus Groups  
   2.5. Application of Scenarios  

3. Territorial Potential of the Region and Possibilities to turn this potential into Capital  
   3.1. Activities and Processes aiming at turning the Territorial Potential into a working Capital  
   3.2. Drivers of Development and the Rationale behind the Strategies  
   3.3. Concluding Discussion on Territorial Potential  

4. Policy Integration  
   4.1. Description of different Forms of Policy Integration  
      4.1.1. The Structural Fund Partnership  
      4.1.2. The Partnership for the Regional Development Program  
      4.1.3. The Partnership for Rural Development  
      4.1.4. Partnerships within each LEADER area the LAG groups  
   4.2. What are the Advantages and Disadvantages of the current Policy Integration?  
      4.2.1. Advantages  
      4.2.2. Disadvantages
4.2.3. Suggestions for Solutions to Cope with identified Problems  

5. Conclusions – Identifications of Constrains, Options and Needs  

5.1. Enlarging the Region – A future Scenario  

5.2. Comparison of the Regional Scenarios with… 
   5.2.1. …the quantitative endogenous Potentials (see Chapter 1.3.) 
   5.2.2. …the qualitative endogenous Potentials (see Chapter 3.1.) 

5.3. Discussion of Instruments 
   5.3.1. Instruments developed by the regional Actors 
   5.3.2. Instruments developed by the national RUFUS-team for the Case Study Regions 

6. Reflection on Methodology 

6.1. Selection of Case Study Regions 

6.2. Qualitative Content Analysis 

6.3. Selection of Interviewees & Semi-structured individual Interviews 

6.4. Workshop / (Focus) Group Interviews 

6.5. Reflection on the Use of Scenarios 

7. Main Findings and Conclusion and proposed Instruments 

References 

Annex
1. Description of case study region

1.1. Description of case study region according to the RUFUS-Typology

According to the RUFUS typology the Swedish province Kalmar (Kalmar län) classifies as a region of type 2. Type 2 regions should be characterized by strong population growth accompanied by a medium successful economy. Agriculture/forestry, manufacturing and the service sector are expected to form a relatively mixed labour market and the region should show a high capital in tourism and nature assets.

Kalmar county is situated in the South of Sweden, stretching along the east coast. A bridge connects the mainland with the island of Öland. The major through-route is the E22, which goes almost parallel with the coastline. The largest town in the region is the town of Kalmar with 62,000 inhabitants. The region contains 12 municipalities. 40 per cent of the region’s entire population lives in rural areas.

Kalmar County in the South of Sweden\(^1\)

There are 233,397 inhabitants living in the Kalmar province. However, in contrast to what the RUFUS classification may suggest the population figures have been decreasing. Between the year 2000 and the year 2007 the number of inhabitants went down with 0.7 per cent due to a low birth rate and people moving to other parts of Sweden. During this time period the municipalities of Mörbylånga and Kalmar are the only exceptions showing increasing figures. The average age of the residents of the Kalmar province was 43.7 years in 2005,

\(^1\) The maps that are used in this report are taken from the website “Gateway to the European Union” (http://europa.eu/abc/maps/regions/sweden/sweden_s_en.htm). All coloured features in the maps are added by either the authors of this report or by interviewees during the case study workshops (see chapters 2 and 6 in this report).
which is somewhat above the national average that is 40.9 years. 3.4 per cent of the inhabitants are of non-Swedish origin, the national figure is at 5.7 per cent.

In 2008 the share of unemployed between the age of 15 and 74 was 5.5 per cent, the corresponding figure for the entire Sweden was 6.2 per cent. (SCB) In 2006 the GDP (in purchasing power parities) of the Kalmar province amounted to 265,000 SEK. The national figures were 319,000 SEK.

In accordance with what is suggested by the RUFUS classification one finds a highly diversified economy. Manufacturing and mining is the largest branch employing 24.8 per cent of all employees. This share is by far higher than the Swedish national figures, which are 17.6 per cent. Health services and care is the second largest segment of the labor market in the Kalmar province. 18.7 per cent of all employees are working in that branch, compared to 16.4 per cent in the entire country. Trading and transportation employ 15 per cent of the work force in Kalmar, while the national figures make 18.4 per cent. Research and Education is the fourth largest branch employing 10.8 per cent of the employees available to the labor market in Kalmar. This is a smaller share than the national average, which is at 16.4 per cent.

Agriculture, forestry, fishing and hunting employ 3.8 per cent of the work force in the Kalmar province. In comparison only 1.9 per cent of the entire Swedish work force is working within this segment of the labor market.

Table 1: Employment Figures Kalmar County and Sweden

<table>
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<tr>
<th>Employment</th>
<th>Kalmar County</th>
<th>Sweden</th>
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<tr>
<td>Agriculture/Forestry/Hunting/Fishing</td>
<td>3.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Manufacturing / Mining</td>
<td>24.8</td>
<td>17.6</td>
</tr>
<tr>
<td>Energy</td>
<td>1.6</td>
<td>1.0</td>
</tr>
<tr>
<td>Building trade</td>
<td>5.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Trading / Transportation</td>
<td>15.0</td>
<td>18.4</td>
</tr>
<tr>
<td>Credit institution/Business services</td>
<td>7.6</td>
<td>13.3</td>
</tr>
<tr>
<td>Public administration</td>
<td>4.2</td>
<td>5.7</td>
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<tr>
<td>Research / Education</td>
<td>10.8</td>
<td>16.4</td>
</tr>
<tr>
<td>Personal services / Culture</td>
<td>6.2</td>
<td>7.2</td>
</tr>
<tr>
<td>Health services &amp; Care</td>
<td>18.7</td>
<td>16.4</td>
</tr>
<tr>
<td>Others</td>
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<td>1.6</td>
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Source: Kalmar County Administrative Board / The Regional Council of Kalmar County 2006

16.8 per cent of the Kalmar province’s areal are classified as Natura 2000 area, which is somewhat above the Swedish national figures with 14.6 per cent.

A common measurement of the importance of tourism in a region is the number of hotel and campsite bed-spaces per 1000 residents. In 2005 there were 27 bed-spaces in hotels, hostels and alike per 1000 residents in the Kalmar province. The corresponding number for campsite bed-spaces was 218.2. However, these numbers do not say very much about the economic impact that tourism may have on a region. As an alternative measurement one can use the receipts from bed-spaces. In 2007 the Kalmar province “earned” 546 MSEK on bed-spaces in hotels, hostels and campsites. This makes 2,334 SEK per resident. In comparison, the corresponding number for entire Sweden is 1,997 SEK per resident (NUTEK 2008).
1.2. **Description of case study region according to additional indicators**

1.2.1. **Land use**

Kalmar county is situated in the South of Sweden and stretches along the Swedish east coast. A bridge connects the mainland with the island of Öland. The region’s largest town is Kalmar with 62,000 inhabitants. Almost parallel with the coastline there is the E22 the major through-route. The region contains 12 municipalities. 40 per cent of Kalmar County’s entire population live in rural areas. 18 per cent of the total area is used for agriculture, 2.9 per cent for pasture, 68 per cent for forestry and 5 per cent contain built-up areas. The share of urban land is 1.6 per cent.

Figure 1: Land use Kalmar county

The island Öland is Sweden’s second largest island and is known for its limestone pavement (Stora Alvaret), which is habitat of many endangered species, part of the UNESCO World Heritage Programme and a magnet for tourism.

1.2.2. **Leader**

There are five Leader groups or LAG’s in Kalmar County covering with their activities 61 per cent of the county’s areal. For further details about Leader activities in both case study regions see 1.4.1.6. Leader.

1.2.3. **Educational standard**

The population of Kalmar county shows a somewhat lower educational attainment as compared to Sweden in total (see Table 2). Considering the high share of employees working in Manufacturing and Transportation, these figures are hardly surprising since both are labour market sections that do not require high levels of formal school education. However, the picture may also be somewhat misleading, since some forms of adult education and internal further education are not included in the statistics over the population’s educational attainment (see Statistics Sweden 2009a). An employee with a lower level of formal school education may have participated in further education and be a highly qualified worker within her or his company. Forms of internal further education are hardly to grasp in official statistics. Nevertheless, this form of education is a contributing factor enabling a region’s labour market to adapt to changes and preventing high levels of unemployment.

Both case study regions – Kalmar county and Kronoberg County – are eager to develop as a knowledge-generating region. Both regions have had a seat of higher education: the Växjö University in Kronoberg and the Kalmar University College. February 5th 2010 both seat of higher education were united and establish now the Linné University. Consisting of two campuses (one in Växjö and one in Kalmar) the university establishes a
higher education region that stretches beyond the administrative entity of the county and binds together Kronoberg and Kalmar County.

Table 2: Educational attainment of the population in Kalmar county and Sweden in 2008 (25-64 years)

<table>
<thead>
<tr>
<th></th>
<th>Kalmar county</th>
<th>Sweden</th>
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<tr>
<td>Compulsory schooling</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Upper secondary school (shorter than 3 years)</td>
<td>33</td>
<td>28</td>
</tr>
<tr>
<td>Upper secondary school (3 years)</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>Post-gymnasium education (shorter than 3 years)</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Post-gymnasium education (3 years or longer)</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>Graduate education (PhD)</td>
<td>0.4</td>
<td>1.1</td>
</tr>
<tr>
<td>No information</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Statistics Sweden 2009a

1.3. **Description of case study region according to the potentials**

**Intensive agriculture:**
The region produces mainly feed grain, cereals and sugar beets. Another important trade is cattle-raising. While the farming areas concentrate along the coastline, forestry concentrates rather in the inlands.

**Nature conservation:**
Almost 17 per cent of the region’s entire area is classified as Natura 2000 area, which is a high share. Nature conservation is an issue within the region – especially since the long coastline is particularly vulnerable to eutrophication and water pollution. At the same time the region’s tourism is highly relying upon nature-experience – hence, upon nature conservation and the preservation of the landscape.

**Off-farm employment:**
The share of work-force working in agriculture, forestry, hunting and fishing is almost four per cent. This is a very high proportion both in comparison with the Swedish average but also in relation to European figures. However, the region characterized by a diversified economy, with manufacturing, transportation and health care employing more than half of the region’s work-force.

**Non-urban tourism:**
Tourism plays an important role for region of Kalmar County. The long coastline in combination with the unique landscape of the island Öland, which is part of the UNESCO World Heritage Programme, are highly attractive for tourists. The amount of receipts from bed spaces in hotels, hostels and campsites is above national average and the tourism trade within the region has been one of the most growing in Sweden. However, while policy documents indicate the will to further develop tourism it is doubtful whether a further expansion of tourism in the region would be worthwhile. The tourism is strongly linked to the unique landscape. The landscape in turn needs to be maintained by small scale cattle-farming – which is subsidized by EU-funding. A further development of tourism may lead to an over-exploitation of the natural assets of the region and may hinder multi-functionality/a diversification of the regional economy.
Multi-functionality/Diversification of regional economy:
Kalmar County is a region with a diversified economy, employing a large proportion of the work-force in agriculture – but also highly relying upon its natural assets for attracting tourists. However, the region is aware of fragile balance between tourism and nature conservation/maintaining a unique landscape. The development of renewable energy and the reduction of fossil fuel are new targets in regional development that in the long run also will affect not only manufacturing and transportation but also agriculture, forestry and tourism.

1.4. Actors and institutional settings relevant for regional development

Due to the size and character of the Swedish case regions, most policies related to rural and regional development are relevant in these regions. The two most important funds are:

- CAP and especially the money related to the second pillar, rural development. The Swedish Board of Agriculture is the national organisation responsible for this funding scheme.
- The two structural funds
  - European Regional Development Fund (ERDF). The Swedish Agency for Economic and Regional Growth (Tillväxtverket) is the national organisation responsible for this funding scheme.
  - European Social Fund (ESF). The Swedish ESF Council is the managing authority responsible for the funding scheme 2007-2013.

Organisations related to rural and regional development can be divided into two major groups; those that are responsible for taking decisions about funding of projects and those who are receivers of funding. The text focuses on the institutions that are taking decisions about support of projects concerning EU funding. However, to better understand the institutional context the role of Swedish municipalities is also described.

The two regions which have been chosen for the Swedish case studies have an almost identical organisational structure – which also the same organisational structure that most provinces in Sweden have. Both provinces have recently created regional organizations of self-government (see section 1.4.1.4.). The major players in relation to rural and regional development are; the Regional Structural Funds Partnership, the County Administrative Boards including the River Basin District Authority, the Regional Council, the Local Leader organisations and the Municipalities. The municipalities do not take decisions about funding directly but as the municipalities have representatives in the Regional structural fund partnerships as well as in the Regional Councils they are as members of these organisations part of the decision process. The same is valid for several sector organisations such as the Swedish Farmer Organisation, organisations for disabled and labour market organisations.

1.4.1. Institutions responsible for decisions concerning EU funds in relation to rural and regional development

1.4.1.1. Regional Partnerships for the Structural Funds

For the decentralised management of the Structural Funds (ERDF and EFS) Sweden has founded eight Regional Structural Fund Partnerships. Each partnership has a Chairman appointed by the government. The chairman appoints the partnership members, which has to be selected among representatives of local governments, representatives of social organizations and persons from the county administrative boards, county labour councils, labour-market organisations and association in the region. The total number of members from democratically elected assemblies should be higher than the number of members from other types of organisations.
Each regional partnership has a regional secretariat with representatives from the two national managing authorities the Agency for Economic and Regional Growth and the EFS-Council. The major role of the regional secretariat is to inform about the different programs, receive and handle applications to both the ERDF and the ESF. The Structural Fund Partnerships is also responsible to develop a regional program for each fund with the objective to i) serve as a guideline and facilitate the priority-making of applications ii) contribute to sectoral coordination at multi-county level.

The Partnerships meet at least four times per year and takes the final decisions of which applications that will receive funding. Meeting dates are fixed in such a way that an application should receive a response within four months from closing of the call. Projects financed by the EFS are fully financed but projects financed by the ERDF needs co-financing.

The two Swedish case study areas belong to the same Regional Structural Fund Partnership – the Partnership for Småland and the Islands – which covers the Nuts 3 regions Kalmar, Kronoberg, Jönköping and Gotland. This partnership has 15 members, eight elected representatives of local governments, three representatives of social organizations, two representatives of the provincial governments, one representative of the county labour boards, and one representative of interest groups and associations.

1.4.1.2. The County Administrative Board

The County Administrative Board (CAB) is a government authority that exists in all 21 counties of Sweden. The CAB role is to serve as link between the citizens and the municipal authorities on the one hand and the government, parliament and central authorities on the other.

The CAB is charged with a range of tasks, including: implementing national goals, co-ordinating different sector interests in the county, promoting the development of the county (including regional and rural development), establishing regional goals but also safeguarding the rule of law in every instance.

At a general level the role of the CAB is to ensure the national regional development objective; an efficient labour market with a good level of service in all parts of the country. As such the CAB is responsible for implementing the decisions reached by the Government and co-ordinating all Government activities at the regional level.

An important specific responsibility of the CAB in relation to regional development is to coordinate the “interest of the state” when municipalities are developing their master plan based on the Planning and Building act. The CAB is also responsible to prepare and provide necessary background information to the municipalities. In the audit of each master plan it should be indicated if the CAB disagrees with the treatment of national interests, environmental quality norms, inter-municipal issues or issues relating to health and safety.

The CAB is also involved in the development of the regional growth program and regional development program even though the Regional Councils in most cases has the main responsibility.

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2 Interests of the state relates for example to how municipalities are working with: long term sustainability, conversion of energy production, definition of local goals the in relation to national environmental quality objectives, local ambitions to achieve architectural and aesthetic qualities of the building of the society and how the European planning perspective (ESDP) echoes in the municipal conceptual planning work.
In order to create a vision about what type of rural development that is desired for in the region, a regional program for rural development is made. The work is conducted under the auspices of CAB but includes a larger group of regional and local actors.

As to the decisions in relation to distribution of funds in relation to regional and rural development CAB is in general responsible for the distribution of money in relation to the second Pillar of the CAP, European Agricultural Fund for Rural Development (EAFRD). However the Regional Councils also have the decision power over some of the money related to the second pillar. The division of responsibility varies from county to county.

1.4.1.3. River Basin District Authority

As a part of the Swedish implementation of the EU Water Framework Directive Sweden was divided in five River Basin District Authorities (RBDA). The role of these authorities is to coordinate the work and ensure that the different sectors influencing the state of Swedish waters are working towards the same goals.

At every RBDA there is a Water District Board that makes decisions on the authority’s various fields of responsibility. The Water District Board includes experts from different fields, and is appointed by the Government.

The role of the RBDA is to ensure that projects related to rural and regional development do not contradict the general objectives of the water Framework directive which is to achieve “good water status” in all surface and groundwater bodies by 2015.

Each RBDA is hosted by a CAB. The same RBDA covers more or less the two Swedish case study regions. Kalmar County falls entirely within the River basin district of the South Baltic Sea. Kronoberg County falls into the same district but a small part of the west of the County belongs to the district called Skagerack and Kattegatt. The South Baltic Sea river basin district is hosted at Kalmar CAB.

1.4.1.4. Regional Councils

Both case study regions have established organizations for municipal co-operation, which are called the Regional Councils (Regionförbund). They are composed of representatives from municipalities and the County Council (landstinget). Both the County Council and the municipalities contribute financially to the budget of the Regional Council. The Regional Councils are responsible for regional development and regional growth programs.

The Regional Council in Kalmar county (Regionförbundet i Kalmar län) is one of the three oldest Regional Councils in Sweden, founded in 1997 as a pilot-project and made permanent in 2002 (Lag 1996:1415; Lag 2002:35). The county council (landsting) and the 12 municipalities in Kalmar County are members. The steering board consists of 33 representatives – 11 from the county council and 22 representing the 12 municipalities. Both the County Council and the municipalities contribute financially to the budget of the Regional Council.

The purpose of the Regional Council in Kalmar County is “to be a joint organization for the municipalities and the county council in the Kalmar county that makes use of the county’s potentials and support its development.” (The Regional Council in Kalmar County 2007, §1) The most recent regional development program called RUPEN IV, was enacted in 2006 and is valid until 2010.
1.4.1.5. **Municipalities**

Sweden is divided into 290 municipalities. The two Swedish case study regions contain 8 (Kronoberg) and 12 (Kalmar) municipalities. They are responsible for providing, a significant proportion, of all public services. They have a considerable degree of autonomy and have independent powers of taxation. Local self-government and the right to levy taxes are stipulated in the Instrument of Government.

Local government has a long tradition in Sweden based on the belief that local administration and local responsibility could best meet local needs. Several hundred years ago the parishes were responsible for the care of the poor. In the mid-1800s, the municipalities were given the task to run the recently established elementary schools. When the development of the Swedish welfare state accelerated after World War II, the Parliament and the Government decided to place a large part of the responsibility for public services on the municipalities. Compared to most other countries, Swedish municipalities are responsible for a large part of public services.

The responsibilities of the municipalities are regulated by the Local Government Act and partly by laws and ordinances covering specific areas, for example the Social Services Act, the Planning and Building Act, the Education Act and the Health and Medical Services Act.

Municipalities have a central role in the regional development as they have a central impact on the local development in general and it is at this level the development actually take place. By law Swedish municipalities have a monopoly on Spatial Development and Planning which can be seen as a fusion of land use planning and economic development planning. This means that each municipality has the exclusive right to formulate and adopt plans for how to use land and water within their geographical boundaries. Moreover the municipalities have a supervisory responsibility, for example, for the measurement of air and water pollution and for checking the labelling of foodstuffs. In Sweden they are also the providers of a lot of social services as well as an important employer.

1.4.1.6. **Leader**

Leader stands for “Liaison entre actions de development rural” and was launched in 1991 as a program and method to “mobilising and delivering rural development in local rural communities, rather than a fixed set of measures to be implemented.” (European Commission 2006a:5) With its recent program-period 2007-2013, Leader is in its fourth generation.

Previously, Leader was a stand-alone programme with separate funding. In 2005 the EU Council approved a new Regulation for rural development support for the programming period 2007-2013 (Council regulation (EC) No 1698/2005) giving the Leader-approach a greater emphasis and integrating (mainstreaming) it within the overall EU rural development policy. This means that the financial means for the Leader program will derive from the overall financial budget that each member state is receiving from the EU under the European Agricultural Fund for Rural Development (EAFRD).

Leader projects have to be based in a so called local action group (LAG). So to receive funding within Leader a first step is to create a LAG group.

*There are five LAG’s in the region of Kalmar:*
- Leader KalmarÖland [www.kalmaroland.se](http://www.kalmaroland.se)

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3 “Links between actions of rural development”
4 Previous Leader periods were: Leader I (1991-1993), Leader II (1994-1999) and Leader+ (2000-2006)
In the region of Kronoberg the two following LAG’s are active:
- Leader Linné, www.leaderlinne.se
- Leader Småland Sydost (Småland South East) www.leadersydost.se

Concerning regional coverage and geographical integration it is interesting to notice that some LAG’s are organized across county boundaries. Leader Småland South East covers six municipalities across the Kronoberg and Kalmar county border. The participating municipalities are Emmaboda, Nybro and Torsås (Kalmar County) and Lessebo, Tingsryd and Upplivinge (Kronoberg county) (Leader Småland Sydost 2008: 38ff.). In the LAG covering the coastal area municipalities in Kalmar province cooperate with municipals in Östergötland’s county (Leader Kustlandet).

Leader initiatives stretching over regional boundaries are surely facilitating geographical co-operation and strengthening regional identities. Additionally, Leader initiatives can generate new work-opportunities and can be motors in transforming regional endogenous potentials into capital. However, LAG’s are not involved in the process of developing regional visions and programmes for the future development of the case study regions. The LAG’s are neither included in the formulation of regional development strategies nor in the partnerships related to these strategies.

1.5. EU-spending in the region

The EU’s direct support on agriculture in Sweden has been increasing during the past years (see Table 3). Unsurprisingly the distribution of the support among Sweden’s counties is rather disperse. The agricultural sector of Sweden’s counties is diverging in its composition and production leading to that not all regions are entitled to the same amount of support.

<table>
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<tbody>
<tr>
<td>Single farm payment</td>
<td>-</td>
<td>-</td>
<td>5,315</td>
<td>5,516</td>
<td>6,088</td>
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<td>4,054</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Animal Premium, all</td>
<td>940</td>
<td>1,940</td>
<td>733</td>
<td>1,034</td>
<td>324</td>
<td>306</td>
</tr>
<tr>
<td>Regional grants</td>
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<td>866</td>
<td>916</td>
<td>898</td>
<td>989</td>
<td>949</td>
</tr>
<tr>
<td>Aid schemes for the</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
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<td></td>
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<tr>
<td>Aid schemes for the</td>
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<td>2,345</td>
<td>2,338</td>
<td>2,190</td>
<td>2,119</td>
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<td>environment (new)</td>
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<td></td>
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<tr>
<td>Plans for crop husbandry</td>
<td>-</td>
<td>129</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
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<td>9,099</td>
<td>9,440</td>
<td>9,843</td>
<td>9,652</td>
<td>9,898</td>
</tr>
</tbody>
</table>

Source: Statistics Sweden 2009
In 2008 the Swedish county receiving the highest amount of Single farm payment was the southern county of Scania (1.3 billion SEK), the county with the lowest amount of Single farm payment was the northern region of Norrbotten’s county (64 million SEK). The case study regions of Kronoberg county and Kalmar county received 138 million SEK and 397 million SEK respectively.

In Kalmar county 77,440 hectar of grazing land and meadows are areas for environmental support. Additionally, there are 14,024 hectar designated for ecological production. In total 8.2 per cent of the county’s entire area is classified as area for either ecological support or ecological production – the corresponding number for the entire country of Sweden would be 2 per cent. The amount of financial support that was paid in 2008 was 114.6 million SEK for the ecological grazing land and 16.5 million SEK for ecological production. The corresponding numbers for the entire Sweden are 714.9 million SEK and 502.9 million SEK respectively.

2. Methodological approach

The purpose of the case studies conducted within the RUFUS-project is to elaborate different types and levels of policy integration related to rural development. For that purpose three different dimensions need to be taken into account: a horizontal dimension (covering the coordination and integration across different sectors or policy fields); a vertical dimension (referring to different levels of governance and administration); and a geographical dimension (addressing coordination across different regions and jurisdictions). In short, the case studies address how representatives of different sectors and governmental levels understand the potential of the region they are working in; what forms of cooperation between levels of governance are employed to develop the regional potentials; how these forms of cooperation address the necessity to integrate different policy fields with each other; and finally, what preconditions (internal and external) support or hinder the goal of policy integration.

To cover the different levels of analysis the case studies contain a document analysis, individual interviews with representatives of different political and administrative institutions, and a workshop bringing these interviewees together to discuss regional development, policy integration and a possible future scenario likely to affect their work. In the following sections these research methods will be presented and further elaborated, starting with the selection of the two Swedish case study areas – Kalmar and Kronoberg.

2.1. Selection of the case study regions

In order to be able to address the issues mentioned above on an analytically appropriate level the regions selected for the case studies needed to represent political-administrative entities / jurisdictions on a level on which relevant decisions regarding rural development are implemented. For that reasons it was decided that the RUFUS partners would focus on regions on either NUTS 3 or 4.

For the case of Sweden the NUTS 3 level is the most appropriate level. There are 21 NUTS 3 regions in Sweden, each representing a Swedish province (län). As elaborated in Chapter 1 (1.4.) the County Administrative Boards (Länsstyrelse) and the Regional Councils (Regionförbund) of the provinces are major actors in rural development and responsible for Regional Development Programmes, Rural Development Plans, and also they are involved in different partnerships.
The selection of the case study regions was based upon a typology of rural regions developed by WP3 (see RUFUS 2010:19, Typology of rural regions 1). Based on that typology each RUFUS partner was obliged to choose a case study region belonging to the rural group 3 (a successful type of region) and to chose another case study region belonging to either type 2 or 4 (both identified as less successful regions). In that selection process distance-measures provided by WP3 were a first guideline. The distance-measures indicated how much a particular region was “fitting” the type it belonged to according to the Typology.

When selecting the Swedish case study regions an additional aspect was taken into account. Swedish NUTS 3 regions are with few exceptions covering a rather large territory in comparison to other European areas on the same NUTS level, while the average population density is low in comparison (compare RUFUS 2010:5). Given these preconditions regional development policies need to address issues such as the problem of long distances between municipalities, or between peoples’ homes and their workplaces, services or education. It is also reasonable to assume that if the population density is very low and the population is aging engagement in initiatives such as LEADER-projects might also be low. Very low population density in geographically very large areas is even more pronounced in the northern part of Sweden. Since this situation is rather atypical for the rest of Europe and for the purpose of higher comparability the two Swedish case study regions were selected from the south of Sweden, which resembles more to the situation at the European continent.

The province of Kronoberg was selected as a region representing the type 3 (distance-measure 0.49) in the Typology of rural regions (I), while type 2 is represented by the province of Kalmar (distance-measure 0.879). The two regions are neighbours, which add interesting aspects to the studies. Firstly, because both regions may face similar challenges emerging from their geographical positioning. Secondly, it opens the possibility of cooperation between the two regions. For a more detailed description of the two provinces according to the variables applied in the typology see Chapter 1.

2.2. Document analysis

The document analysis served two purposes: First, to give an overview of actors, institutions, forms of cooperation/policy integration, further documents and regulations relevant for regional development in Sweden more general and in the two case study regions in particular. Secondly, a qualitative analysis of documents such as Regional Development Programmes or Rural Development Plans allowed pinpointing perceptions on territorial potential, opportunities for future development and priorities in the work of different actors and institutions.

When the documents were selected special attention was given to Rural Development Plans, to Regional Development Plans and related regulation on the EU-level, the national and the regional level. During the document analysis and the interviews other related documents were mentioned and was included in the analysis later on.

As already mentioned a qualitative content analysis of the chosen documents was employed for elaborating on different aspects of regional development such as priorities in future development and forms of cooperation/policy integration. Even though a quantitative content analysis might be a common method for document analysis in social research, we agree with John Scott that “‘frequency’ is not the same as ‘significance’” and that “It may be that a single striking word or phrase conveys a meaning out of proportion to its frequency; and a non-quantitative approach may be better able to grasp the significance of such isolated
references” (Scott 1990:32). For a more detailed discussion of the qualitative content analysis of documents we refer to May (1997:157ff.)

2.3. Interviews

The Regional Councils and the County Administrative Boards were identified as central agents for regional development (see Chapter 1). For selecting the interviewees we decided upon a snowball sampling, starting by taking contact with the Head of the Department for Rural Development at the County Administrative Boards and the Chief Executive at the Regional Councils in both case study regions. After presenting RUFUS and its objectives we were recommended to other people working with rural and regional development and EU-funding. Since both the Federation of Swedish Farmers and the Swedish River Basin District Authority also are actors relevant for regional development in both case study regions we also interviewed one representative each.

In the province of Kalmar we interviewed nine people working at the County Administrative Board and two from the Regional Council. In the Province of Kronoberg five interviews were conducted with representatives from the County Administrative Board and two interviews with people working for the Regional Council. Additionally one interview with a representative of the Federation of Swedish Farmers and one with a representative of the Swedish River Basin District Authority were conducted.

The interviews followed the interview guide that was suggested in the Methodological Guidelines for Case Study Work (RUFUS 2009). However, an adaptation to a semi-structured interview approach became necessary. First of all, because the terminology used in the original interview guide was not shared by the interviewees (e.g. multi-functionality or endogenous potential). Secondly, additional issues came up during the interviews that we found relevant for RUFUS, so these lines of argument were followed up when they occurred. For a discussion of the advantages of semi-structured interviews we refer to May (1997:111f.). The interviews were conducted during September and October 2009.

2.4. Workshops / Focus Groups

In addition to the interviews focus groups workshops were organized, their purpose being to let the interviewees develop scenarios for possible future regional developments. Focus groups direct attention towards the participants’ perceptions just as to the interaction among them. A focus group “is distinctive not for its mode of analysis, but rather for its data-collection procedures, and for the nature of the data so collected” (Wilkinson 1998: 182, emphasis in original). Focus groups are more open to alternative ways of gathering data material than traditional group interviews, which suits the application of scenario-building and visualisations. Previously, focus group research has been criticised for its shortcomings regarding data analysis. However, in these respects some progress has been made and the strategy commonly applied can be described as “dynamic content analysis” (see Wibeck 2001:7ff.).

The focus group method was applied within workshops held in both case study regions. In the Methodological Guidelines for Case Study Work (RUFUS 2009) two workshops were suggested – a first in which the interviewees develop future scenarios and a second in which the interviewees could discuss a presentation (e.g. visualisation) of their previously developed scenarios. For the case of Sweden we decided to organise only one workshop in each case study region. The major reason for this adjustment was the fact that Sweden showed to have documents that very detailed elaborated possible visions for regional development. Additionally, a strong
loyalty towards these documents characterises the professional identity of Swedish technical experts and officials. Our interviewees were very much aware of the visions pictured in existing documents, and what discussions that were going on about future adjustments of these visions and quite reluctant to diverge from these positions. It appeared rather contra-productive to apply the original RUFUS research design. The focus of the workshop was rather upon a deeper understanding of what was said during the interviews, it gave some kind of feedback and preliminary results – something normally expected from Swedish Authorities when participating in Research projects.

The workshop in each case study region was divided into three parts. In a first section, Ann-Katrin Bäcklund elaborated the background of the RUFUS-project, concerning the political development and discussions in the Commission regarding regional and rural development, the agenda for territorial cohesion and the emphasis of regional strengths and potentials. This led to a first discussion about the region’s strategic work in relation to national authorities and EU funding. In a second session, led by Johanna Alkan-Olsson, different strategies for reaching the regions’ potentials just as losses and gains in the work of partnerships were discussed. In a third section, led by Anett Schenk, an upcoming reform of the political-administrative structure in Sweden was discussed. The reform will change not only the size of Swedish regions on the NUTS 3 level but would also affect the regions’ potentials and future opportunities.

The workshop for the Kalmar region was held at the end of January 2010. There were seven participants – four working for the County Administrative Board and three working for the Regional Council (among them one trainee). The workshop for the Kronoberg region was held in the beginning of February 2010 in which all five interviewees of the County Administrative Board participated.

### 2.5. Application of Scenarios

Since both visions of future regional development and its implementation were well documented and the interviewees showed a high level of loyalty towards these documents it seemed to be counter-productive to elaborate new visions concerning the goals for development. However, we decided to apply the scenario technique concerning a specific question about the future geographical and administrative delimitation of Swedish regions. The inspiration to elaborate on this scenario derived from two sources: First, both policy documents and the interviewees themselves used rather different concepts when talking about their region (e.g. a labour market region as contrasting to the administrative unit of the regions they represented). Secondly, a process of reforming the existing administrative structure in Sweden is under way. The existing 21 regions are going through a process, which at the end will lead to less than half of the existing number of administrative regions. Since this process will certainly affect a region’s future development options and since it is not the national government but the regions themselves who are steering this process, it appeared as an interesting aspect worthwhile further investigation.

We followed the definition of a scenario as it was expressed in the RUFUS Guidelines for the case study research and attempted to create a kind of social-science functional equivalent to the visualisations/scenarios applied in other RUFUS-teams. In the RUFUS Guidelines scenarios had been defined as follows: “Scenarios comprise consistent packages of rural development options considering regional dynamics, which determine the overall socio-economic and environmental development of the region.” (RUFUS 2009) In the case of the Swedish regions the scenario is not linked to changes of the physical/geographical/territorial preconditions of the region but to changes in the political-administrative structure. These changes in turn will affect the territorial potential of a region, the number and types of relevant actors and the options for policy integration just as possible future developments. In short one can assume that such a reform would affect the region’s
identity. The idea was to “remind” the participant upon the ongoing process and to let them develop their own scenarios.

We prepared a “newsbill”, which is a compilation of quotations made by different actors and organisations in relation to the ongoing reform. The purpose of sketching the advance of the reform process until now was to trigger the workshop participants to discuss the future options. In addition to the newsbill each workshop participant received a map of the South of Sweden and was asked to draw a) the future region that he or she expects to be the most likely outcome of the reform process and b) the future region that he or she would prefer. The idea was to inspire a discussion that would both reveal possible future option and enlighten existing expectations and ideas regarding the own region, neighbour regions and different concepts of regions (such as labour market region).

3. Territorial potential of the region and possibilities to turn this potential into capital

The European approach towards rural development places an increasing focus on regions rather than sectors and emphasises investments rather than subsidies (OECD 2006:3). It is no longer believed that one method for rural development fits all regions and the Commission is directing towards a cohesion which builds on “a Europe of diverse regions” (EC 2007). Along with this line of thinking there is a need to identify the specific territorial potentials that a region has, as it is believed that by supporting development of the endogenous potentials of regions growth can be trigged. In this chapter the territorial potentials in Kalmar are discussed.

Natural potential
The region is characterised by agriculture, forestry and valuable natural assets such as a long coast line, with an attractive archipelago, and a favourable summer climate. It has an interesting historic cultural environment and in several locations a unique flora and fauna can be found.

Industrial potential
The timber and sawmill industry is a major industry in the region, but the industrial diversification is broad and includes also, metal, mechanical, plastic and glass industry. The major service industries are health and care and the tourism industry. The tourism industry relies on the attractive coastal areas, but also on two well established amusement parks the - Öland’s Zoo and Amusement Park and The World of Astrid Lindgren. The glass and crystal industry is an employer of both industrial workers and service workers as it is not only a producer of goods but also a tourist attraction. During 2009 the number of overnight stays in Kalmar region increased with over 11 %, which was the fastest growth in Sweden (Tillväxtverket 2010).

Infrastructural potential
Kalmar’s has a peripheral location at the east coast of Sweden. It is between three to five hours drive from all greater urban regions. The roads are partly very slow, and air traffic has a low frequency. The direct distance to North and East European urban centres is relatively short but the Baltic Sea is presently a barrier which hinders both business and weekend tourism from short trips. Both roads and railways are in strong need of investment. The well-developed access to the internet is an advantage. Another important infrastructural contribution is the resent strengthening of the university college in Kalmar.

Human potential
The situation concerning human resources is somewhat problematic. The population is decreasing and it is primarily the younger age groups that are diminishing. The average age is only a couple of years above the
national mean, but the trend is problematic. The population also has a lower formal education than the national average. This does not necessarily mean that the workforce is lacking competence. The levels of unemployment indicate that the workforce has been able to meet the demands in the labour market so far. The skills attained by on the job training and further education has kept the skills sufficiently up to date. This capacity is a potential worth noticing.

Social potential
Among the interviewed representatives for the different regional and local organizations there is a great openness for possible new ways of cooperative ways of working or even major administrative reforms. A noticeable expression of an integrative thinking is visible in which the interdependencies between different regions and policy fields are acknowledged.

3.1 Activities and processes aiming at turning the territorial potential into a working capital

In policy documents, interviews and during the workshop Kalmar province is depicted as a region characterised by agriculture, forestry and a landscapes with valuable natural assets favourable for tourism. The interviewees often put forward the tourism industry and the fact that it is presently growing fast.

There are three major strategies to transform the regional potentials into working capital: development of agriculture and forestry, increasing the tourism and development of renewable energy. Agriculture, with a diversified use of farmland and a variety of local foodstuffs produced, is seen as a good precondition for marketing regional food products. Using the existing forests for recreation and not for production of timber only would enhance the tourism trade. Additionally, forestry industry needs to develop new products in order to compete in new markets. There is a strong focus on the region’s natural assets, the development of new products in agriculture and forestry just as on increased nature tourism. Recently the development of renewable energy is another strong strategy for the region – the goal is that Kalmar county will be free from fossil fuel by 2030 (The Regional Council of Kalmar County 2009). The Regional Council has developed the project “Biogas – new substratum from the ocean” for which it has been granted 5.8 million SEK from the Structural funds in December 2009.

The region’s rural character in terms of agriculture, forestry and green tourism must be regarded as both a potential and a possible threat for future development: Agriculture and forestry are traditionally sectors which mainly employ people with low levels of education. The same holds true for manufacturing and transportation, which are the two dominating sectors in terms of labour market share in Kalmar. The low educational level of the population of Kalmar is mentioned as one of its major problems. The level of outmigration can be seen as a process of brain drain for the region. This process can be explained by the structure of the region’s labour market as it has been described above.

The region struggles with an outmigration leading to decreasing service levels especially in the rural parts of the region, a low level of entrepreneurship, a high dependency upon cars in transportation and an upcoming generational shift among farmers (Kalmar County Administrative Board 2008). Additionally, the share of the region’s labour force employed in the public sector is comparably low: Kalmar is the one of two Swedish provinces not having a head office of a state public agency in its region. Soon the County Administrative Court will be moved to another region and even the driving licences are administrated outside the region (Sven Lindgren 2009 & workshop in Kalmar 29th January 2010). This in combination with defective train connections limits Kalmar’s attractiveness as a working and living area.
To overcome shortcomings in railway transportation the Regional Council in cooperation with the Swedish Rail Administration decided to invest 200 million SEK to improve the Stångån-railway, stretching between Kalmar and Linköping and the Tjust-railway (which is a continuation of Stångån-railway leading to Västervik). As a result the transportation towards the north will improve. The project is scheduled from 2011 to 2021.

The mentioned strategy to focus upon renewable energy can be seen as a strategy for fuel but also as a measure to cope with the low educational level in the region by attracting well educated people to do research, evaluation and education within the field of alternative energy sources. Another important initiative is the recent uniting of Kalmar University College with Växjö University and founding the joint Linné University.

Another problem which has to be tackled is linked to agriculture and forestry, since both contribute to environmental problems by overuse of fertilizer or use of incorrect methods in forestry due to lack of knowledge. This problem is dealt with by courses and seminars for farmers organised by the County Administrative Board. Since eutrophication is a common problem in agriculture the Swedish Board of Agriculture together with the Federation of Swedish Farmers and Swedish County Administrative Boards have initiated a program (Greppa näringen) to provide information and strategies to help farmers decrease the usage of fertilizers.

### 3.2. Drivers of development and the rationale behind the strategies

Climate change and the vulnerability of a long coastline caused by eutrophication are certainly important drivers for some of the strategies applied by the region. But as discussed above the need to attract a more well-educated labour force can be seen as just an important factor behind the renewable-energy strategy. Additionally, national policy documents such as the National Rural Development Plan or the national environmental goals – influenced by EU-guidelines and goals – are other influential factors explaining the regions choice of strategies for development. Also decisions made on the national level – e.g. where to place head offices for state public agencies – will affect a region’s options for development. Since Kalmar estimates that the options are limited when it comes to (well-educated) labour force working in the public sector, nature based tourism seems to be a more reliable option. Kalmar is already a region characterised by tourism, the previous success and growth in the tourism sector – and the recognition that the regions received for it – has to be seen as another driver supporting a future regional development strategy relying upon tourism.

To fully understand the rationale behind the strategies applied by Kalmar it is not sufficient to look at the undertaken measures as such. Improving railway connections or uniting two seats of higher education are certainly important measures, but problems such as decreasing levels of service in rural areas or low level of entrepreneurial spirit can seem to remain unsolved. An analysis of policy documents and partly also the interviews and the workshop reveal an underlying strategy that can be described as a change in thinking about regions. The overall question is: What is a region? In fact, talking about Kalmar as a region means to talk about different types of regions depending upon the policy field. Despite Kalmar as the administrative regional unit there are other and overlapping regions such as a labour market region, regions for (higher) education, for service, for health care and entrepreneurial clusters (see The Regional Council of Kalmar County 2006:11).

An example is the concept of a labour market region.\(^5\) According to Statistics Sweden a labour market region is a statistical measure regarding the daily commuting between municipalities.\(^6\) From 1970 until 2005 the number

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\(^5\) Both the Swedish Agency for Economic and Regional Growth and Statistics Sweden work with that concept – even though there definitions are different. 15 of the EU-member states are using the concept of “labour market areas” or “local labour market areas” (Statistics Sweden 2010: 155).

\(^6\) A municipality is considered to be the centre of a labour market region if less than 20 per cent of the working inhabitants travel to another municipality for work and if the share of workforce travelling to one particular municipality is not larger than 7.5 per cent.
of labour market regions in Sweden has decreased from 187 to 79. Not only that these regions have become larger they also turn out to be more stable and less vulnerable during crises (Statistics Sweden 2010).

It is in this context one needs to understand some of the strategies suggested in the Regional Development Plan. One concrete goal is e.g. that the number of labour market regions relevant for Kalmar should be reduced to two regions (The Regional Council of Kalmar County 2006: 29ff.). “Considering the options of functional regions” (which refers to the different types of regions mentioned above) and the goal “to work parallel with both geographical enlargement and better cooperation within existing regions” are some of the strategies expressed in Regional Development Plan (The Regional Council of Kalmar County 2006: 31pp.). These are surely no concrete measures but can be seen as expression of an integrative thinking in which the interdependencies between different regions and policy fields are acknowledged. If Kalmar can succeed to adopt this strategic thinking in everyday administrative decisions (both within the single organisations and within the partnerships) it might become a tool to overcome some of the current obstacles.

3.3. **Concluding discussion on territorial potential**

Multi-functionality is not a concept that is used in the case study regions, although some of the interviewees have heard the concept. When speaking more generally about broadening the sources of production/income the word diversification is frequently referred to instead of multi-functionality. Further diversification and refinement of products and services is seen as the major way to improve the current situation in the agricultural sector as well as in industry. Also “innovative solutions”, “flexible methods”, “changed attitudes” and “entrepreneurship” are buzzwords linked to the concept of diversification mentioned in several of the regional and rural development plans.

One reason why the concept multi-functionality is not used may be that both these regions have historically been multifunctional. Due to the small scale agriculture and poor and stony soils agriculture necessarily had to be multifunctional. As farming always has been combined with forestry and forestry related production, as well as hand craft and seasonal employment in mechanical manufacturing, sawmills and glass industry – multi-functionality is part of the identity. The perception of the way towards a sustainable development in the two regions are rather similar and focus on diversification or rather innovative refinement of industrial production, renewable energy, rationalisation and diversification of agriculture.

However, despite similarities there are some differences in the interpretation of “diversification”. These differences may be linked to the endogenous potential of the two regions. In the recent economic crisis Kronoberg has been much harder hit by unemployment and here a restructuring of the industry is seen as a major priority. However tourism linked to agriculture especially in areas with high natural values is also seen as important but is at this point much less developed than in Kalmar. In the Rural development program of Kronoberg Tourism and green rehabilitation, as well as refining industry relating to food and forest industry, renewable energy and meat production are seen as the major future possibilities (The Regional Council South of Småland 2009).

In Kalmar which has a coastline and the island of Öland with a rare and for tourists interesting landscape, the possibility to increase the tourism industry is more or less taken for granted. As Kronoberg does not have any coast line it is not as attractive to Swedish tourists, which prefer the coastal areas. On the other hand the typical forest landscape and with lakes in combination with the historical landscape and building tradition with red and
white houses, made famous by the Astrid Lindgren literature, are very attractive to northern Europeans, particularly from Germany, Denmark and the Netherlands.

As Kronoberg compete with other areas of similar type in Sweden, their attractiveness for foreign tourism has to be marketed in a professional way. They have several advantages in this marketing; one is that Kronoberg is the “landscape of wilderness” within closest reach from the European continent the other is that it can claim to be the Astrid Lindgren “heimat” were several of her stories were enacted, although this claim has to be shared with the neighbouring region Kalmar. The region is typically a magnet for green tourism, and in marketing for this tourism segment the home of Carl von Linné is a potential which so far is under developed.

4. **Policy integration**

To put the Swedish cases studies and the current state of policy coordination into context, it is essential to first give a short background to the recent development of the institutional context in relation to rural and regional development. The current development has included changes both in relation to the institutions involved and the types of policies developed. In addition the changes occur both as a response to EU policy and as a response to a national need to rearrange the forms for regional development and the power between national and regional actors.

The Swedish membership in the EU in 1995 included several organizational changes. Several of the actors on the regional development arena are new and the forms of cooperation as well as responsibilities are not yet entirely settled. In perspective of this development the showground for the two Swedish case studies is a case study or trial in itself. To a certain extent this can be seen as a methodological limitation. However, as the interviewees say, this vagueness have opened-up lively discussions on what is best practice, in relation to the coordination of the different EU policies and funds for regional and rural development.

Considering its political and administrative organisation, Sweden can be described as a decentralized central state, characterised by a high degree of municipal authority. (The Swedish Government 1996/1997:36) Swedish municipalities and county councils enjoy a higher degree of power and competencies as compared to other European countries.

Due to the EU membership and a strong political will to increase the local and regional power, the balance of authority between the national and the local level has undergone some modifications. The change in steering logic can be described as a change from a centralised towards a decentralised approach. (The Swedish Government 1996/1997:36) For example before 1995 the responsibility for regional development rested with the County Administrative Boards and today it lies on the relatively new Regional Councils. This change is partly due to an adjustment to the governance structure of EU and its changing approach to how territorial politics should be implemented at the national level but also to a Swedish ambition to make better use of the resources available at local level and to ensure that the municipalities, county councils and regions can continue to offer good services to the public.

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7 It should be noted that the politics related to content and form of regional development is changing also in the context of the European Union due to the new challenges facing Europe (such as globalization, migration and aging population) and the revisions of the CAP.
To initiate this change of steering logic the Swedish government presented a Governmental bill in 1996, suggesting a pilot-project introducing regional organizations of self-government (Regionala självstyrelseorgan) (The Swedish Government 1996/1997:36) The basis of this governmental initiative was to acknowledge the importance of the local level in regional development. Regional organizations of self-government is a body representing both the county council (landsting) and the municipalities within a County.

The initiative of the Swedish Government was informed by previous expert evaluations on trends and issues in relation to regional development (SOU 1995). According to the Government bill (The Swedish Government 1996/1997:36) post-war development had been characterized by the development of the Swedish welfare state and a wide range of institutions dealing with different sectoral and regional issues. State agencies developed their own regional organizations working parallel to the county administrative board resulting in a lack of coordination of activities. (The Swedish Government 1996/1997:36, p.13) It was argued that “(t)he best preconditions for a cross-sectoral cooperation is to place sectoral tasks and the special competence within one and the same authority.” (The Swedish Government 1996/1997:36, p.14) The lack of democratic structures within the counties was another reason for introducing regional organizations of self-government. The idea was that an organization responsible for regional development covering the tasks of both the county councils and the municipalities would enable a more democratic representation for the municipalities.

As a result most of Sweden's municipalities and county councils have in recent years, assumed a greater responsibility for regional matters and various forms of regional co-operation or regional self-governance have emerged. Three regional organizations of self-government were launched as a pilot-project aiming to “develop forms for better democratic anchoring of the responsibility for regional development”. (The Swedish Government 1996/1997:36, p.18) Instead of permanently establishing regional organizations of self-government, the government decided to continue the pilot-project in two provinces and to introduce organizations of municipal co-operation (Kommunala samverkansorgan) in the others (The Swedish Government 2001/02:7, see also Tillväxtverket 2009). Even though the forms look very much alike there are some differences:

Regional organizations of self-government must include both the municipalities and the County Council. Organizations of municipal co-operation do not need to include the county council. This is not only an organizational matter but also a matter of financial access – organizations of municipal co-operation that do not include the County Council into their organization do not have access to the County Council’s tax money.

Today the situation regarding responsibility for regional development in the 21 counties is the following: In two counties it is handled by organizations of self-government; in 14 counties organizations of municipal co-operation are responsible; in five provinces the county administrative board is responsible.

Between 1994 and 1998 the policy instrument guiding regional development in the Swedish counties was the so called “county strategy” (länsstrategi). This strategy was developed by the county administrative boards in co-operation with national agencies, the county council, municipalities and representatives of industry and social partners. The “county strategy” served as a basis for the regional planning processes (Förordning 1982:877).

In 1998 the “Regional growth agreements” (Regionala tillväxtavtal – RTA) were introduced. The idea was to increase the cooperation and establish a negotiation between national agencies and the regions (the county administrative boards) and to develop programs to increase regional economic growth (Förordningen 1998:1634). The major purpose of these agreements was to improve Sweden’s use of the EU’s Structural funds. However, the Regional Growths Agreements did face some problems (see Tillväxtverket 2009:9&23ff.) and were re-launched with some adjustments as Regional Growth Programs (Regionala tillväxtprogram – RTP) and have now a more overarching and open focus than the previous version. The main aim is still to enhance
economic development in the Swedish regions. The introduction of the Regional Growth Programs did also introduce the notion of working in *programs*.

As stated in the Lisbon agenda regional development has to embrace more elements than economic growth. Parallel with the development of programs aiming at economic growth the need for territorial planning as well as inclusion of environmental and social aspects of regional development were emphasized. As a consequence the Regional Development Program (*Regionat utvecklingsprogram – RUP*) was introduced in 2003 as an instrument enabling regional development in a broader sense (Förordningen 2003:595).

Another factor influencing cooperation is linked to the ongoing revision of the Swedish Planning and Building act in order to minimize red tape. The committee states in their review of the Act that, few problems are caused by the legislation itself. To bring about real changes measures such as training of politician and more resources and increased competence at the local authorities are required (SOU 2005:77). The central authorities need to give advice and written guide lines for how to apply the legislation. Moreover it is argued that there was a lack in coordination between the planning and building Act and the trials based on the Environmental Code.

4.1. **Description of different forms of policy integration**

The form and logic behind different types of policy integration, and cross sectoral cooperation have two important features; the creation of partnerships and the deliberative development of strategic plans or steering documents within these partnerships. It is held that by making common documents these partnerships may create a common understanding of the goals for development integrating the different approaches and interest of involved actors. This approach to policy integration has a strong link to the current European Community Strategic Guidelines for Cohesion 2007–2013, as well as to the core ambitions of the European Spatial Development Perspective (ESDP). These ambitions have been implemented into a Swedish context by the National Strategic Reference Framework (NSRF) (Ministry of Enterprise, Energy and Communications 2007).

The Swedish practice of policy integration normally has the following pattern; creation of a more or less formal partnership which coordinates the development of a common steering document – a working program or strategy. There are four partnerships to coordinate and integrate the work related to rural and regional development in the two case study regions.

1) The Structural Fund Partnership for Småland and the Islands.
2) The partnerships for the development of the regional growth plans and regional development plans
3) The partnerships for the development of the rural development plan
4) The so called LAG groups within each LEADER area.

In the following sections these partnerships and the documents they produce in the two case study areas will be described. The partnerships have different roles; some of them are responsible to take decisions in relation to EU funds whereas others only have the responsibility to develop a plan.

4.1.1. **The Structural Fund Partnership**

As described in section 1.4 the Partnership for the Structural Funds has both the responsibility to develop regional structural funds plans (one in relation to the social fund and one in relation to the regional development fund). These two “supra regional plans guides the project funding from the European Regional Development Fund respectively the European Social Fund. This Partnership also takes the decisions on which projects to fund. Both case regions are covered by the same partnership.
The regional plan for the ERDF is based on plans developed at the county level, the regional development plan and the regional growth plans was taken November 2007.

As for the European Social Fund there is a national plan, the National Social Fund Program (Svenska ESF-rådet 2007). The role of the partnership is to adapt this plan to regional conditions in the so called Regional EFS plan (Strukturfonds Partnerskapet, Småland och Öarna 2007). The regional EFS program has to be revised each year to indicate to what extent the region has reached defined goals, the financial situation and available funds. The programs and revisions of programs are developed in a smaller group and a final decision is taken in the partnership. During the process of revision, dialogue meetings are held with relevant stakeholders (municipalities, county administrative boards, regional councils, labour market organisations the Public Employment Services, the Social Insurance Agency and educational establishment). These stakeholders are also given the possibility to give written comments to the first version of the plan. In the interviews an important issue was raised in relation to this process – despite the annual revision of the plan suddenly upcoming issues could not be dealt with in a flexible manner.

It is assumed that each partnership member should act independent of their regional or organizational interests, and only grant projects that contribute to the objectives of the common plans. As mirrored in the interviews in both case studies the development of this “independence in relation one’s own interest” is something that has evolved over time as the content of the plans has become more clear and coordinated and the decision and meeting procedures have become more well known.

As an initial step to increase the coordination of the Regional Development Fund and the Social Fund an amount of up to 10% of the budget for each priority can be used to finance such operations that fall under the other Structural Fund (Council Regulation No 1083/2006). Interviews indicate that steps are taken to coordinate the social and the regional development fund in the region. However, one issue that was raised was that the type of project that could be financed by the two funds is quite different which makes coordination difficult. One complication is that projects financed by the Social fund need no cofunding where as co-funding is necessary for projects financed by the ERDF.

4.1.2. Partnership for the Regional Development Program

The Regional Council in Kalmar respectively Kronoberg are responsible for the development of the regional growth plan and the regional development plan. To create these plans both Kalmar and Kronoberg have created a specific partnership consisting of members from the Regional Council and the County Administrative Board.

The responsibility of this partnership is only to develop the plans and it has thus no economic engagement. But as the interviews from both case regions indicate these partnerships also serves as an important forum for discussion about regional problems such as for example the impact of the current economic crisis.

The Regional Development Program (RDP) is seen as the overall planning document at regional level, an umbrella under which other sector programs are coordinated, such as the Regional Growth Program, Rural Development Plan, Infrastructure Plan, Regional Environmental Plan, Cultural Heritage Program, International Strategy, Tourism Strategy, and the County Council Development Strategy. The programme details the focus and priorities for the development of the region as a total. The RDPs should state which areas that are to be prioritised within the region based on an analysis of the county’s conditions and development potential. The programme also refers to the region’s cross-border and functional cooperation. The program should take into consideration the local planning in concerned municipalities, and should use existing municipal analyses and programmes.
The development of the regional development program is seen as an ongoing process where commitment and winning political support are decisive. The development of the program forms the basis for a dialogue between the national and regional levels on the key regional development issues. The process should enable priorities and initiatives currently being implemented to be reviewed. The process should be operated as a broad partnership of regional and local public players, industry, socioeconomic bodies and universities.

In addition it is argued that “The regional development programmes should have strategies for sustainable regional development, which means that they are based on a holistic view of the county’s long-term development”.

### 4.1.3. Partnership for Rural Development

The County Administrative Board is responsible for this partnership and the development of this program but in close cooperation with other relevant organisations such as the Regional Council and the Farmers Organisation. The department of agriculture in the County Administrative Board has the main responsibility. The responsibility is divided between the different sections responsible for the four axes of the second pillar of the CAP.

In Kalmar the following organizations are represented in the partnership: ALMI Företagspartner i Kalmar, Arbetsförmedlingen, Företagarnas rikorganisation i Kalmar, Försäkringskassan, Hushållningssällskapet Kalmar-Kronoberg-Blekinge, Högskolan i Kalmar, Landsorganisationen i Kalmar län, Lantbrukarnas riksförbund i Sydost, Länsstyrelsen i Kalmar län, Regionförbundet i Kalmar län, Skogsstyrelsen, Sydsvenska industri- och handelskammaren.

In addition to the work of the partnership the CAB has established a working procedure ensuring that aspects of different policy areas (such as nature protection, water protection, building permission etc.) are taken into consideration when discussing and granting money for rural development. The CAB has developed what can be called a “spread-sheet” where projects are listed in a vertical column and aspects and issues that should be taken into consideration are listed in the horizontal column as a way to ensure that these issues have been taken into consideration when assessing the possible financing of the project, as this assessment are done by different persons belonging to different sections and sometimes even organizations.

### 4.1.1. Partnerships within each LEADER area the LAG groups

Every LEADER area has developed their own strategy for development based on the Rural development program of the region 2007 till 2013. The LAG groups consist of representatives from municipalities, local representatives from the Swedish organization of Farmers.
4.2. **What are the advantages and disadvantages of the current policy integration?**

4.2.1. **Advantages**

In general the interviewees from both regions seem satisfied with the forms as well as the outcome of the cooperation in the partnerships. Based on the interviews and the focus groups we draw the conclusion that the partnerships’ seems to work generally well. They serve as a basis for inter-sectoral exchange and coordination. Several interviewees argue that the co-development of steering documents in informal and formal partnerships have created a consensus about the main priorities and development goals as well as an understanding of the regional characteristics to build on for the future. This, it is argued, gives a solid basis for the priority making between projects and different EU funding schemes. Interviewees also argue that the significance of the plans also may have a long term effect by increasing the coordination of future efforts as the strengths and weaknesses of the regions have been identified.

At the time of the interviews the documents created by the partnerships where only in their first or second generation. Interviewees, however, indicated that they have the impression that the quality of the documents will improve over time as well as the coordination of the documents i.e., there is an institutional learning both in relation to the form and procedure of co-producing these texts.

There is also evidence that this cross-institutional development of cross-sectoral documents have opened up channels of communication. At the Regional Council it is argued that the cooperation with the state (through...
the County Administrative Board) has improved when developing the Regional Development and Growth plans. The County Administrative Board argues that the opportunities to meet across sectors and organization increase the possibilities to learn from experts and hence improve the quality of future plans and concrete projects.

As to the Structural fund partnership it appears as the creation of a regional development plan has ensured a supra regional anchoring of the regional development and growth plans created at county level. The interviews indicate that it rather strengthened the feeling of being one region as several main concerns are the same. From the interviews it also appears as if the supra regional development plan have helped to raise the awareness that several developmental problems are in fact common between the two case regions, such as lack of infrastructure and aging population which are major issues for these regions.

This strengthening of a supra regional identity is also mirrored in the interviews when the interviewees are commenting on a national evaluation of the outcome of the regional development fund. In their evaluation the Agency for Economic Growth argued that projects that were granted money from the structural fund partnership were too small and scattered. From the county perspective (interviewees from both case study regions) this “scattered picture” should be interpreted as a result of the specific characteristic of this region with many small and diverse activities and “Stockholm” does not understand this specific character of the region. It is a rather common perception that Stockholm is unable to understand and even neglecting issues in the country side.

The Regional Councils of both regions were arguing that as a result of the neglect of central national authorities the region has initiated several infrastructural projects, without national financing. And to take the economic development in its own hands, “not waiting for directives from Stockholm”, the supra region will also be present at the World Exhibition in Shanghai in 2010.

The partnership led by the Regional Council and responsible for the regional development plan seems to work relatively well. Maybe due to its less formal role the whole partnership seems to be vaguer and the role and mandate of the actors is not entirely clear. According to the comments in both counties, the regional development plan seems to be an important and used document which was frequently referred to. However, in both regions it seems as if the last year review of the RDP was a less open and a less deliberative process than the development of the initial plan.

The partnership related to the rural development plan has through the development of the plan made more concrete how each region understand rural development. By focusing on the specificity of these two region, diversity it also make clear that rural development and development in general are two very closely interlinked issues especially in these regions where several farmers also work outside the farm. However, important to mention is that the integration of sector perspectives and interests is not new to these counties. Since long there is an ambition in both counties to coordinate different policies related to regional and rural development and the environment. This ambition seems to have been strengthened as a result of the current economic crisis with a need to coordinate national and EU measures to decrease its impacts on the two regions.

4.2.2. Disadvantages

The major difficulty mentioned was that the cooperation forms are new and especially in the beginning a lot of time was being spent trying to define the task and how it should be performed. In addition, EUs recommendations for how to cooperate around the structural funds partly changed with the new Structural fond
programs in 2007 which meant a process of relearning and to some extent the creation of new procedures and new cooperation networks.

As mentioned earlier the Swedish governance structure for spatial planning is also in an evolutionary phase both in relation to the governance structure around the spatial planning regulation but also, and maybe more important, in relation to the new regional division of Sweden. This means that the forms of cooperation are not entirely settled.

In addition the regional division of Sweden is undergoing a large major transformation towards larger super-regions which create some hesitance in the system. Several of the interviewees seemed to “wait” for the redefinition of regions before they take a final decision on how to further develop the future cooperation.

If focusing on the concrete everyday work some of the interviewees mentioned that there are or especially have been too many groups of cooperation (formal and informal) and taking part in all the meetings of these partnerships and networks take a lot of time. However, it seems as if some of the forums of cooperation have been joined to reduce the number of meetings. Apart from the difficulty that creation of networks takes time it was argued that they are vulnerable to changes of personnel as new staff has to learn the sometimes informal ways of cooperating between colleagues spread over a large region.

As an advantage of the current way of working it was described by the Regional Council how the development of the Regional Development Plan and the partnerships had substantially improved the dialogue between the RC and the CAB. As Kalmar, has been working longer with partnerships, and the Regional Council started several years earlier routines and networks seem to be more settled in Kalmar than in Kronoberg.

However, the CAB neither in Kalmar nor in Kronoberg is not entirely pleased with the fact that an increasing amount of money in relation to the development of business in rural areas (EARDF) is handled by the Regional Council. Different arguments came forward. – We (the CAB) are responsible for most of the money in relation to agricultural development and we therefore know the need of the sector well. We have done this before and know the procedures. Our responsibility has become to supervise that the rule of law is followed in relation to environmental and planning issues and to promote the non-economic development in the area of education and social services. At the same time we do have the overarching responsibility that the region is reaching the defined goals in relation to economic development and employment.

What appears from the, to a certain extent, divergent view of the CAB and the RC is that there seems to be a need to more clearly define and coordinate the efforts in relation to regional development ensuring that economic, social and environmental development issues are handled on more equal terms. To ensure a good coordination of planning efforts form the local to the regional and even supra regional level it is central that the efforts to update the governance structures of the Building and Planning act are taken into consideration.

Another important issue which makes the cooperation heavier is that the different sectoral interests and the stakeholder organisation have different and overlapping regional and local organizations. This makes the coordination more complicated than necessary and as data is collected on the basis of different spatial divisions it becomes more difficult to coordinate and compare information.

4.2.3. Suggestions for solutions to cope with identified problems

Cooperation is time consuming and to strike a good balance between its advantages and disadvantages it is important to organise the cooperation in an efficient way. Cooperation and integration as well as increased
efficiency of administration, are trends that exist at both national and EU levels. To ensure that these trends are not counterproductive it is important that the development of EU policies take into consideration national trends.

In both the case areas it was expressed that several of the EU measures were too tightly controlled, especially the CAP, and left no room of freedom for the implementers. The EU documents for rural and regional development stress the importance of the regional level to identify the potential areas of development. In the regions they find the message ambiguous, on the one hand they are they are supposed to rely more on their regional potential and initiative on the other hand they are not fully trusted to be able to implement the development. There is no simple solution to this problem but possibly EU could implement different degrees of freedom, depending on how well national and regional authorities are performing, based on a set of performance indicators.

An important issue influencing the Swedish implementation of rural and regional development measures is linked to the forthcoming reorganisation of the Swedish regions. It is too early to predict the possible impacts of this reorganisation. But it is likely that these new regions will be organised in a way that gives less frictions and odd borders in relation to the EU policies which may contribute positively to the implementation of EU measures.

Another important problem is the tensions between the national state and the regions in relation to the balance of power. Who should be responsible for what? This is not an issue were EU could easily interfere. However each defined measure and the rules surrounding it will give more or less power to the regional or national level in theory and practise and the potential effects of this has to be evaluated to ensure that the wish to develop a regionally based development is not counteracted.

Furthermore there seems to be a need to ensure that economic, social and environmental development issues are handled on more equal terms. It seems, at least in the two Swedish case studies, as if the rural development is based on both economic and social concerns. However, the environmental concern seems to be slightly neglected and the regional state authority, the County Administrative Board, give several reasons to explain this situation: lack of competence at local level, a high desire to encourage development and unclear directives from the EU level concerning how to balance these different interests.

5. Conclusions - Identification of Constraints, Options and Needs

5.1. Enlarging the region – a future scenario

Both regions had a rather good and developed vision of the future of their region. Both regions had also made a through analysis of their weaknesses and strengths. The vision and the weaknesses and strengths they have described in the different plans related to regional and rural development in the regions. Moreover the Swedish case regions cover big geographical areas and it would consequently be difficult to visualise constraints options and needs in relation to regional development in a constructive way that do not overlap visualisations and analyses made in the above mentioned documents. As a consequence team decided to take a slightly different approach to the development of the scenarios. Based on the interviews three major areas of concern have been highlighted in relation to the future of the two Regions (for more information see Chapter 2 on the methodological approach and Chapter 6 on methodological reflections). These three issues served as a basis for
the focus group discussions of constraints options and needs to ensure a good future development of the two regions.

Despite their well-developed strategies and goals for future regional development of Swedish regions – and the two case study regions are no exceptions – are facing the opportunity to radically change their geographical borders of jurisdiction. In 2009 the national government initiated a process of reforming the existing regional organisation of the country. This decision had been prepared by a Public Investigation Committee (Statens Offentliga Utredningar) especially concerned with issues of competencies and responsibilities at different political, administrative and societal levels regarding regional development (Ansvarskommittén), which was established by the Swedish government in 2003.\(^8\) The Committee presented its final recommendations in February 2007 (SOU 2007).

A comparison between the deficits highlighted by the Committee (SOU 2003) and problems raised by the interviewees in both Kalmar and Kronoberg show some important similarities:

- State agencies relevant for regional development and social sustainability (e.g. The Swedish Board of Agriculture, The Swedish Agency for Economic and Regional Growth) developed their own regional organization, which is not congruent with the counties’ geographical borders. This causes severe problems in coordinating and communicating regional development strategies. A reform of the geographical borders of jurisdiction of the regions must be linked to a reform of the geographical organization of these agencies.

- Labor market regions are considered as important units for the regional development and should build the basis – or at least one important component – for drawing the borders of future regions in Sweden.

- The borders of regional jurisdiction and peoples’ sense of regional identity need to be overlapping. It is not possible to build a prospering region without the support and engagement of its inhabitants.

- Each region should have at least one hospital and one institution of higher education.

The major recommendations of the Committee can be considered rather far-reaching in their consequences: Today’s 21 counties should merge into less than 10 counties. The recommendations were lively discussed by the regions and the Swedish Association of Local Authorities and Regions (Sveriges Kommuner och Landsting). However, it took almost two years until the national government officially declared the reform process opened. The interesting aspect of the procedure is that the 21 counties are supposed to negotiate with each other and develop suggestions for the design of the future regions. The process of drawing the future borders of jurisdiction is very much in the hands of the counties themselves.

The purpose of the workshops held in Kalmar and Kronoberg was to elaborate how the case study regions reflect on this process, which of their neighbour-regions they would consider as possible partners to merge with and to what extent these considerations are linked to the regions’ potentials. For this purpose the interviewees were confronted with a “newsbill” and a map of the South of Sweden (see also section 2.5. Application of Scenarios).

The previous document analysis already had indicated a certain wish for changes. The Regional Development Program of Kalmar states clearly “At the same time it is worth highlighting that the recent borders of jurisdiction are limiting our freedom of action.” (The Regional Council of Kalmar County 2006). Additionally, newspaper articles quoting politicians from Kronoberg County indicated an ongoing discussion about that issue.

\(^8\) In 2003 Sweden had a Social Democratic government. Since 2006 the government comprises out of a conservative-liberal coalition.
The discussion in both workshops showed a rather positive attitude towards this upcoming reform. The discussion during the workshop in Kalmar appeared somewhat more enthusiastic about the development. However, this can be caused by the different mix of individuals and the regional actors they were representing, since the Regional Council was not represented at the workshop in Kronoberg and neither was the Head of the County Administrative Board. The participants could easily draw their maps and argue for their ideas. Depending upon the field of expertise (e.g. working with the Structural fund partnership, environmental issues or rural development) different aspects were highlighted when arguing for the future scenario that was drawn. However, some lines of argument and consideration were rather common:

- The experience of previous cooperation and communication was highlighted. This means the work in partnerships, projects held together with other regions and forms of joint representation together with other regions (such as a joint bureau in Brussels or joint appearance at the World Exhibition in Shanghai).
- Both case study regions perceived themselves as belonging to one and the same labour market region – even though this was expressed more clearly in Kalmar County, but again this may be affected by who was present at the workshop.

Examples of the Maps that were drawn during the Workshop in Kalmar County
The maps depicting the possible future geographical borders of both regions can be described as follows:

- All possible future regions contained both case study regions.
- In most cases Jönköping County was also included into the future region.
- Some workshop participants suggested also Blekinge County as a possible candidate to join the future region and in Kalmar also Östergötlands County was considered.
- One workshop participant from Kalmar County included also the island Gotland and half of Hallands County into the map of the future region.

Map of a Future Region

If the maps drawn in the two workshops are placed on top of each other, one could identify a “core-region” suggested by the participants. In the map below this “core-region” is marked with a dark red line. (The regions marked with an orange line are those being mentioned by few of the workshop participants.) Interestingly enough that region would fit the area of the today’s Structural fund region – or partnership-region – for Småland and the Islands – hence, the Structural fund partnership. Additionally, this region is identical with the
historical province of Småland. The notion of belonging to the Småland-region was expressed in both case study regions – even though representatives in Kronoberg stressed this notion slightly more. As mentioned earlier, the interviewees perceived a strong identity with their region as important and claimed this identity to be both – precondition and result of a region with promising potential.

We cannot elaborate whether the fact that the area of the Structural fund region is covering the region of Smaland is incidental or whether the geographical organization of the Structural funds was inspired by Swedish landscapes/regions. In any case, it is reasonable to assume that the work in the Structural fund partnership and the forms of cooperation in there have strengthened the feeling of regional identity. Due to the partnership the involved counties are part of a continuing communication about the development of the regions. The simple fact that projects financed by one of the Structural funds need to cover more than one region is likely to encourage actors to consider the needs and potentials of their neighbour regions when developing and applying for their projects. In that respect, we have to assume that the work within the Structural fund partnership contributes to policy integration on the geographical level.

As previously mentioned, the notion of belonging to one Labour market region was expressed during the interviews and the workshops. The concept of labour market regions is widely applied in Europe as a tool for estimating the development and exchange of labour force between regions – hence, their mutual dependency (see also Annex). Labour market regions are created by calculating the ratio between the in and out commuting labour forces. Both Statistics Sweden and The Swedish Agency for Economic and Regional Growth are measuring Labour market regions – even though are using different measurements. However, while the term “Labour market region” is well-established, the interviewees did not refer to neither of the statistical/administrative definitions of the term. When the interviewees talked about Labour market regions they rather thought about their county and the commuting to and from the surrounding counties. Nevertheless, it has to be seen as a strong indicator for a way of thinking in which the term “regions” exceeds the borders of the own region of jurisdiction.

It can be important to mention that the two counties historically belong to the same “landskap” but this unit was split into three counties. They still share a common cultural and historical identity.

5.2. **Comparison of the Regional Scenarios with...**

5.2.1 **...the quantitative endogenous potentials (see chapter 1.3)**

The scenarios that were discussed during the workshop were not limited to the case study regions as they exist today and the realization of these scenarios is not solely depending upon the case study regions but also upon the interest of the neighbouring counties to form new joint regions.

However, it is no surprise that the interviewees were aware of most of the potentials that could be identified for their own and neighbouring regions. Especially when it came to employment structure, land use and level of tourism they were well informed about the situation in their neighbouring counties. It is reasonable to assume that the work in the Structural fund partnership just as joint projects and representation can explain this. Nevertheless, when discussing future developments the interviewees are rather guided by visions expressed in steering documents, development plans and the experience of cooperation within the partnerships.

5.2.2 **...the qualitative endogenous potentials (see chapter 3.1)**

As mentioned above the sense of belonging to a region was perceived as an important precondition for a region to fully develop its potentials. In that respect the entrepreneurial spirit in Kalmar and the “Småländ spirit” in
Kronoberg where recurrent features in the narratives about the future developments of the regions. The uniting of Växjö University (Kronoberg) and the University College in Kalmar and educational programmes situated in the “Kingdom of Crystal” are examples of attempts to develop human capital. The preservation of their natural assets – in particular “Stora Alvaret” and the coastline – was strongly emphasised in Kalmar. However, both counties launched initiatives and received funding for projects aspiring to decrease the use of fossil fuel in their regions.

In any case, when it comes to the scenarios discussed during the workshops the “driving forces” for preferring one regional scenario instead of another were rather experiences of cooperation and the idea of belonging to a labour market region. Potentials related to human capital, infrastructure and social sustainability were dominating in the discussion.

5.3. Discussion of Instruments

5.3.1. Instruments developed by the regional actors

As mentioned above the process of merging with other counties into a new and larger political-administrative unit is very much in the beginning and to a high degree a political process involving actors outside the region. Therefore, the scenario must be understood as a tool to elaborate concepts and notions and not so much as a tool ready to apply – since the final decision on the outcome of this merging process will probably not be made before 2015.

5.3.2. Instruments developed by the national Rufus team for the case study regions (including an assessment of the instruments done by the regional actors within the 2\textsuperscript{nd} Focus Group)

This discussion is not applicable for the Swedish case study regions, because of the reason mentioned in the previous section.

6. Reflection on methodology

To elaborate possible options for future development of rural regions, to investigate how various policy sectors and governmental levels understand these options for future development and their actions (meaning strategies and goals) undertaken to realise these options demand an elaborated research design. One single method or research instrument can hardly put light upon all aspects involved in the research objectives mentioned above. That is why a combination of different methods has been applied, each aiming at addressing particular aspects of the overall research question. In the following these methods are discussed with respect to their advantages and disadvantage.

6.1. Selection of Case study regions

The selection of case study regions was based upon the Typology of rural regions I, developed by WP2 (see RUFUS 2010: 19). Each RUFUS partner had to select two case study regions – one belonging to the rural group 3 and one belonging to the rural group 2 (RUFUS 2009). Based on the considerations elaborated in chapter 2
Kalmar was chosen as a region representing rural type 2 and Kronoberg was selected as a region representing rural type 3. In general, this selection process worked out well for the Swedish case studies. However, we would like to address two comments regarding the work with typologies.

During the case study work the RUFUS typology of rural regions was further developed. New data was supplied, which in changed the typology and the types of rural regions included in Typology of rural regions version II, which comprises 5 rural types instead of the previous 4 types (see RUFUS 2010: 20ff.). According to the later version of the typology both Swedish case study regions belong to Rural Type 5. The important common characteristic of rural type 5 is the importance of the manufacturing sector. The importance of manufacturing industry holds true for both case study regions. However, an understanding of the two regions as belonging to the same regional type appears as problematic since rather important differences between them are blurred out. When looking at the other variables characterising a type 5 region some comments can be made. A type 5 region scores high on manufacturing but should also display:

- “a slightly higher unemployment rate”. While this statement holds true for Kalmar, Kronoberg is one of the Swedish regions that traditionally succeeded to have a low unemployment rate. Even during the recent crisis, Kronoberg managed to keep the unemployment rate below Swedish national average.

- “the share of NATURA 2000 areas is marginal”: this is true for Kronoberg (2.8%), but definitely not for Kalmar (16.8%) and a part of this is a world heritage area.

- “the importance of tourism is on average”: Kalmar is a growing tourism region and intends to pursue that strategy in contrast to Kronoberg, which puts more effort into developing manufacturing.

An important finding of the studies was that actors involved in regional development relate to different concepts or definitions of what a region is. The Typology and the selection of case study regions assume political-administrative regions/NUTS-regions as being relevant entities. However, depending upon the policy field actors may have other regional entities in mind. Examples for that being:

- When it comes to the structural funds it is not only the region according to NUTS3 that is relevant, but also a regions according to NUTS2 – since application for the Structural funds are handled upon NUTS2-level and are expected to focus upon a larger area than NUTS3.

- In terms of fighting unemployment and future labour market development the concept of a (Local) Labour Market Area was addressed in interviews and during the workshops. A Labour Market Area is a concept that can both cut through an existing NUTS3-area and reach beyond its borders. This means that when labour market policy is expressed in terms of Labour Market Areas one may assume the existence of policy integration at least across regional/geographical areas.

- In 2004 the European Water Framework Directive was included into Swedish legislation. As result of that five River Basin District Authorities were established. Both case study regions belong to the same River Basin District Authority – which means in terms of water protection policy the relevant regional entity is not the NUTS3 but the much larger Water Basin District – which again is likely to support policy integration across regional/geographical areas. This particular case would be an interesting issue for future research.

To acknowledge different concepts of “a region” that are used by the interviewees and in documents, to recognise in what context what concept of a region is used is not only important in order to analyse our data material in an appropriate way – it may also raise the question, of how far different definitions of a region could be included in a typology.
With the results of the both case studies at hand the selection of the two case study regions may have produced an unintended bias: Since the case study regions are neighbours and since the interviewees are aware of that their neighbour-region also is included in the study aspects of regional policy integration may have been overexposed in the data-material on the expense of other forms of policy integration. On the other hand this can also be seen as an advantage of the Swedish data material, since it allows elaborating cooperation over regional and geographical borders more in detail.

6.2. **Qualitative Content Analysis**

The method applied for selecting documents showed to be appropriate and useful when it came to both a) getting an overview of relevant actors and organisations in the field of regional development and b) conducting an analysis of perceptions on territorial potential and forms of cooperation and policy integration. A qualitative content analysis was chosen for the analysis of the policy documents. We assumed that a focus upon significance rather than on frequency would serve the RUFUS research objectives better – an estimation that turned out to be correct.

However, the choice of policy documents may be biased in such a way that it supports an analysis of forms of vertical and geographical policy integration/cooperation and not so much an analysis of policy integration between policy fields/cross sectoral policy analysis. For that latter purpose more defined focus upon certain policy fields and a different type of documents would have been needed. Nevertheless, that material and analysis applied for the Swedish case study regions allows for some suggestions and results on the matter of cross-sectional policy integration.

6.3. **Selection of interviewees & Semi-structured individual interviews**

In total 20 interviews were conducted: 11 interviews for the case study in Kalmar, seven interviews for the case study in region Kronoberg, one interview with a representative of the Swedish River Basin District and one interview with a representative with the Federation of Swedish Farmers. Most of the interviewees were working at the County Administrative Board in their region. The regional Councils were represented with two interviewees for each region.

In general, we estimate that the interviewees represented a good mix of different policy areas, with a slightly overrepresentation of rural development. Semi-structured interviews allowed for a guided conversation – addressing aspects relevant for the RUFUS project – and at the same time allowing the interviewees to bring up own ideas and perceptions, which lead us further in developing our research questions. The interviewees provided a good insight in aspects of regional planning, distribution of financial means and subsidies just as on work in partnerships and policy integration. However, aspects of bottom-up initiatives such as LEADER could only be addressed indirectly since such representatives were not included. Nevertheless, the material provides good insights into different forms of cooperation, policy integration and different perception of a region and its potential development.

6.4. **Workshop / (Focus) Group interviews**

In general, conducting a workshop after the interviews worked out very well for the case study. Swedish political-administrative organisations usually expect a feedback or a summary of research results when
participating in research projects and evaluations. The workshops enabled us to provide a first feedback and present first interpretations of the our findings. At the same time the response of the workshop participants to our presentations allowed us to test certain ideas and hypothesis just as we were able to deepen our understanding of what was said during the interviews.

As mentioned, we decided to modify the workshops in such a way that the focus was less on the development of future visions and that we held only one workshop in each region. The discussions during the workshops confirmed our anticipation that visions of future scenarios would largely be in line with what already was expressed in written documents. However, the material collected during the workshop was valuable material complementing the previous document analysis and the interviews. A possible flaw in the workshops might be that neither the representative of the Swedish Farmers Association nor of the River Basin District Authority were able to participate.

During the analysis we needed to be aware of a possible bias in the workshops: Unfortunately, there were no representatives of the Regional Council present at the workshop for the Kronoberg-region. This may have impacted the discussion in such a way that a more entrepreneurial perspective and the link to the partnership working with the Structural EU-funds were missing.

### 6.5. Reflection on the use of scenarios

The original intention with holding two workshops/focus groups was to let the participants develop a scenario for future regional development in the first session and enable them to discuss this scenario in a second session. As already mentioned, we decided to modify this part of the case study and to hold only one workshop in each region. Being aware of the Swedish political-administrative culture we estimated that the scenarios developed during such a workshop would mainly “copy” what is expressed in written documents and barely go beyond that. Policies and strategies for regional development – just as in other policy areas – can be described as “streamlined” to that extend that the regional strategies will follow the national strategies. E.g. goals set up in national steering documents will appear in the regional documents as well – only non-applicable goals (such as protection of the marine life when there is no coast line) would be excluded from the regional documents. This leads to partially striking similarities, e.g. the exact same wording in the statutes of the Regional Councils when it comes to defining their purpose.

The assumption that we could not expect any other future scenarios, than the ones already stated, to be developed appeared to be correct. However, there is an additional aspect that also could be a decisive factor: The 21 Swedish regions (län) are recently undergoing a reform of the political-administrative structure that is historical in scale. The reform will end around the year 2015 and at that time the number of regions (21) will have been reduced to half the number. However, it is not the national level (government and parliament) that will decide about the future size and shape of the regions, but the regions themselves will negotiate and develop their future form and organization. As a result of this reform the two case study regions may belong to the same region after 2015 – they might constitute a new region consisting of these two regions or even others. Either way, this reform will have an enormous impact not only upon the political-administrative structure of both of the case study regions but it will also change the catalogue of regional assets, potentials and future developments.

In order to respond to these developments we decided to let the participants discuss possible options of the future region that they probably will be part of. Using the flexible and empowering approach of focus groups (see Wibeck 2001) we provided a “newbill” sketching the latest developments of the reform and a map and asked them to draw the region that they found most likely into the map. By doing so we a) made an appropriate
adaptation of the original focus group methodology that responded to a development in the regions we had not thought about earlier and b) created a social-science functional equivalent to the scenario building that was included in the original research design.

The maps that were drawn just as the discussions and explanations given by the workshop participants enlightened not only the interviewees’ perception of a future development and the political-administrative preconditions for it, but gave also insight into their reasoning about what establishes a region or a regional identity.

7. Main findings and conclusion and proposed instruments

Four remarks can be made with respect to regional development and the work in programs and partnerships: First, there is a general trend in Sweden where responsibilities, for rural and regional development, are moved from the national to the regional level. Secondly, to organize work in programs has become more common. Policy strategies, the dominant instrument prior to 1995, are more general in their formulation and are not intended to be evaluated. Programs in contrast, go beyond the declaration of intentions, and are often connected to measures of evaluation, concrete time periods and criteria of success. However, it appears as if the existing Regional Development Programs do not meet the demands regarding stringency and therefore, must be considered being rather a strategy-document than a program. The same holds true for the Regional Growth Programs (Tillväxtverket 2009:17). Thirdly, the programs are usually realized by partnerships. For the partnerships the same observation can be made as for the organizations responsible: Their organization and work process is quite different between provinces. Nevertheless, the work in partnerships marks a shift towards more flexible forms of responsibility as compared to the 1990’s (Tillväxtverket 2009:18). Fourthly, the work in the partnerships in the two regions which are studied are reported to work well and has contributed to an advancement of the work for regional development.

There is an issue of how environmental issues could be developed in a sensible way in the context of rural and regional development. At the moment the power lies at the local level and the state representative in the regions – the County Administrative Boards are supervising. If the regional authorities gets stronger it may be important that also environmental issues are treated there to ensure a good coordination, without neglecting the competence of local authorities but rather ensuring the coordination of the environmental concern within the context of rural and regional development.

Even though Swedish NUTS3-regions already are geographically big, the interviewees are positive towards the upcoming reform leading to even larger regions, arguing that they need to be bigger in order to be more powerful and competent actors, nationally and internationally. The current process of region enlargement is well received in the administrations of the studied regions. A current problem is that national authorities responsible for the administration of European funds are working in geographical divisions that are not identical with the geographical entities of the European funds (NUTS2 mostly), i.e. different funds are not covering the same administrative and geographical areas as the national authorities that are administrating them. Bigger regions could help to solve this problem for the regions studied.

In line with what is said above the following recommendations can be made to the national policy level:
• Make coherent administrative borders in order to ensure that European funds and national authorities responsible for their administration cover the same geographical/administrative regions.

• Widen the competence of the Partnership for Rural Development to handle a greater scope of issues, which would mean that the national level would need to leave some of its power.

Recommendations directed to EU level

• Loosen the regulations. When the combination of EU, national and regional regulations adds up it makes the Rural Development Program too strictly steered.
• For evaluation and revision it is recommended to introduce methods that can show effects of initiatives – not simply that rules have been followed. EU revisions are too rigid and do not serve its purpose.
• By help of adequate indicators environmental goals should be made more steering,
• Simplify the rules for application to the Structural Funds as it is too difficult to meet the demands for a professional application. The number of rules risk getting the process so complicated that it loses legitimacy among the actors and stakeholders. The administration of ESF, which is not as strict, is a better model.

Increase similarity of rules between the Regional Development Fund and the Social Fund so that actions can be coordinated in the regions.
References


Förordning (2003:595) om regionalt utvecklingsarbete.


Lag (1996:1415) om försöksverksamhet med regionförbund i Kalmar län och Skåne län


Partnership for change in an enlarged Europe - Enhancing the contribution of European social dialogue” (COM(2004)557 ).


RUFUS (2010) Deliverable 3.3 Typology of rural areas.


The Swedish Planning and Building Act, (SFS 1987:10).
Annex

Labour Market Areas / Local Labour Market Areas (LLMA)

<table>
<thead>
<tr>
<th>Member state</th>
<th>Produced by</th>
<th>Used</th>
<th>Since</th>
<th>Unit</th>
<th>Commuting included</th>
<th>Number of LLMA</th>
<th>Average population</th>
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Source: Statistics Sweden (2010: 155)