

Sweden – the emergence of a national urban policy

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Introduction

In Sweden by tradition more political interest has been focused on regional development in sparsely populated parts of the country than on urban development. The old role for of the national regional policy was to support growth in sparsely populated regions and to restrict the expansion of the large metropolitan regions. This policy has its roots in the 1950s with its large migration from the “forest counties” in the north of Sweden. The content of the new policy area, called “location policy”, was imported from U.K. One of the arguments used in favour of the “location policy” were that it should reduce the population growth in the metropolitan regions. The growing structural problems in 1970s following the first oil crisis and deepened by the second oil crises some years later added part of the old manufacturing belt in the middle of Sweden to the areas designated for regional policy support.

Little attention was given to urban policy, which primarily was considered as a policy concerning local problems in the three largest cities. In the very last years the focus of regional policy has changed from being a policy for designated areas to be a policy enhancing growth in all Swedish regions.

The lack of coherent national urban policy means that we have to look after elements of urban policies in different sector policy areas such as housing policy, labour market policy, regional policy and, in later years, transport policy and environmental policy.

The fact that urban policy has been of minor importance in Sweden up till now can be understood in terms of the late urbanisation of the country and its combination of a small population and a large geographical area.

In area Sweden is the third largest country of the European Union, while in terms of population it is one of the smallest. A population density of 21 inhabitants per square kilometre corresponds to about one-tenth of the EU's.

Urbanization in Sweden emerged in the mid-19th century, when a combination of the expansion of the manufacturing sector and an increased birth rate of the city dwellers made existing cities grow and new one emerges. Natural resources like iron ore and wood were the main engines of growth in these days and resource-based production was located close to the these resources. In this way the industrialization process gave birth to many new cities. Not until the 1940s did the population of the urban areas exceed that of the rural areas.

Sweden has 12 cities with more than 100 000 inhabitants, which is two more than in 1980. 30 per cent of the Swedish population lives in these cities. If the surrounding municipalities are included 56 per cent of the Swedish population lives in the 11 local labour markets that these 12 cities constitute. Malmö and Lund are centres in the same local labour market.

Table X.1 Major urban regions and their economic performance 1990-2002

Rank/Name	Inhabitants Core/Region		Economic performance	
	1990	2002	1990-1996	1996-2001
1. Stockholm	679/1 670	758/1 868	strong	strong
2. Göteborg	432/828	475/904	poor	strong
3. Malmö	235/590	262/647	poor	strong
4. Uppsala	170/262	180/273	strong	strong
5. Linköping	124/242	135/249	strong	strong
6. Västerås	120/170	129/176	average	average
7. Örebro	122/180	126/182	average	average
8. Norrköping	121/165	123/166	poor	average
9. Helsingborg	109/284	119/279	average	average
10. Jönköping	112/147	119/153	average	strong
11. Umeå	92/126	107/138	strong	average
12. Lund	90/590	100/647	included in the Malmö-region	

Based on table X.1 two pictures of the Swedish urban pattern can be presented. On the one hand we can conclude that less than 30 per cent of the Swedish population is living in the 12 largest cities of the country, a share that has increased only marginally since 1980. On the other hand is about 56 per cent of the Swedish population living in the 11 largest urban regions, a share that has increased by four per cent units since 1980. Population has increased in all the largest cities and urban regions since 1980 with in total 990 000 persons, a figure that can be compared with the national growth of 623 000 persons. These figures express an ongoing centralization process in the Swedish spatial pattern. Behind this national process two different patterns can be identified.

In the three metropolitan regions –Stockholm, Göteborg and Malmö – the population increase is significant higher in the suburbs than in the three cities representing the core of the regions. Between 1980 and 2002 population increase in the suburbs was three times as high as in the cores, which has reduced the dominance of the three cities in their local labour markets. Today almost 60 per cent of the inhabitants in the metropolitan regions live outside the cities of Stockholm, Göteborg and Malmö. The population growth in the three metropolitan regions has to a large degree taken the form of a spatial expansion of the regions.

The picture is quite the opposite in the other eight large urban regions. In these the population growth is concentrated in the municipalities, which represent the cores while population in the more peripheral parts of the

regions is declining. The cores share of the regions' population has increased from 64 to 71 per cent since 1980 making this group of cities the primary growth centres, in terms of population growth, in Sweden.

The economic performance of the majority of the major urban regions between 1996 and 2001 is strong. In fact about 60 per cent of the total economic growth in Sweden in this years did occur in the three large metropolitan regions. Almost 40 per cent of growth was generated in the Stockholm region. Strong performance indicates that a region is among the top ten in the national growth league, which includes 81 regions in Sweden. Six of the major urban regions is on the top ten list. While the other five urban regions also are performing well and are found at places between 11 and 30. None of the major urban regions show a poor economic performance in the period 1996-2001. The situation was different in the years 1990-1996, when three of the urban regions had a poor performance. The main reason for the poor economic performance in the regions of Göteborg, Malmö and Norrköping was the weak performance of the Swedish economy in 1991-1993, when GDP in fact declined by almost 5 per cent. Manufacturing industry was stroked hard by this decline. Production was reduced by 8,5 per cent and employment by 23 per cent, which had a strong impact on regions with a large industrial base.

Local autonomy is one of the cornerstones of Swedish policy. Municipal autonomy is exercised locally, in municipalities, and regionally, in county council districts, which rest on a long tradition. The municipalities are responsible public services like children care, compulsory school and upper-secondary school and eldercare and for town planning. When the county council districts were introduced in the 1862 municipal ordinances, a peculiarly Swedish regional administrative pattern was created. In every county there is both a state county administration led by a county governor appointed by the national government and a county council elected directly by the inhabitants of the county.

The geographical areas of the county administration and the county councils are the same, but their areas of responsibility are different. The county administrations have primary responsibility for a number of state assignments in the county – regional policy, regional planning and state sector planning – as well as coordination of state, county council district and municipal government services. The county councils municipalities have primary responsibility for health care services, which is their dominant activity, but they also contribute to public transportation, business sector development, culture and the field of social activities. In 1996, the Swedish parliament voted for a four-year experiment in four counties, entailing the transfer of tasks from county administration to county councils.

Representatives from Skåne and Västra Götaland took the initiative to merge some existing counties in order to create stronger counties. In the case of Skåne, with Malmö as the largest city, two counties were merged, and in the case of Västra Götaland, with Göteborg as the dominant urban region, three countries merged into one. The two new counties both had more than one million inhabitants making them, together with Stockholm, from the point of view of size, outstanding compare to the other counties in Sweden. In Skåne

and Västra Götaland directly elected county councils were established, The new councils handle, like traditional county councils, health and medical services but they have also assumed full responsibility for the county's regional development from the county administrative board. In the other two counties the experiment was given another form. In Kalmar an indirectly elected regional council was established and in Gotland, a county, which consists on only one local municipality, the responsibility for regional development was transferred to the municipality.

A Parliamentary Committee on the Regions was appointed to evaluate the experiment, so as to provide the Government and Parliament with basic data for decisions on future policy on regional organisation. The Committee concluded that three years was a too short period of time to draw well-founded conclusions and suggested a prolonged and extended trial period. The Parliament did not follow the recommendations from the Committee and the Parliament decided to only let Skåne and Västra Götaland continue the regional pilot projects up to the year 2006. However, the Parliament also passed a new legislation opening for all counties to form regional development councils comprising all municipalities in a county and, on a voluntary basis, the county councils. The former pilot regions Kalmar and Gotland were directly transformed into regional development councils. In 2003 another five counties have created regional development councils and an additional one will follow in 2004. The main reason restricting the number of counties, which have chosen to create regional development councils, is the demand that such a council must comprise all the municipalities in the county. If one single municipality go against the plan to established such a council it cannot be realized. The major task of these regional development councils is to formulate and implement a regional development strategy.

The regional structure in Sweden is at present diversified. Two counties have elected regional assembly, which has taken over the tasks from the traditional county council and the responsibility for regional development from the county administrative boards. Eight counties have formed regional development councils that consist of a statutory joint authority comprising all municipalities in the county and the county council. These new councils have a weaker legal status and have less State resources at their disposal than the regional councils, but have nevertheless assumed full responsibility for the county's regional development from the county administrative board. In eleven counties the county administrative board, which are not part of the local self-government system but representing the state, are still responsible for the county's regional development (Regional Development in Sweden 2003)¹.

This variation in the regional institutional structure between different regions reflects that the Swedish government has not yet come to any conclusion about the regional level in the political system. This issue is about the strength of the regional self-government as well as about the future of the traditional county councils and the organisation of the public health care sector. As a step forward in this process the Government has appointed a Parliamentary

¹ The report is published by the Swedish Association of Local Authorities and the Swedish Federation of County Councils.

Commission of inquiry the division of responsibilities between central government, municipalities and county councils/ regions. The starting point for the review is to maintain strong municipal self-governing within the framework for a strong national responsibility for the welfare of the citizens in the whole country.

To a considerable extent, the Swedish “welfare state” is local; it is rather a question of “welfare communities” than a welfare state. The growth of the welfare state and increased burdens on the municipalities created a pressure for larger municipalities. In the 1950s and 1960s the local structure was changed in several steps. The number of municipalities was reduced from 2500 in 1950 to 277 in 1979. Since then the number has started to grow again and at present there are 290 municipalities in Sweden.

For municipality as a whole 53 per cent of revenues come from municipal taxes, 37 per cent from fees and just 8 per cent in the form of government subsidies. However the role of the government has a greater impact on the allocation of resources between different municipalities than these figures indicate. In addition to the financial contribution of the government the Parliament has approved a policy according to which municipal tax revenues are redistributed between municipalities. In this way the Government collect part of the revenues from the municipal taxes in some municipalities and transfer them to other municipalities.

The general subsidy system consists of three parts. Firstly, the so-called base amount accounts for the largest part of the total subsidy. This base amount is used for equalization municipal taxable incomes up to a general guaranteed level. Secondly, the equalization subsidy redistributes tax revenues from municipalities with strong tax bases in the large urban regions to small municipalities in rural areas. Thirdly. The equalization subsidy is a means of ensuring that comparable services can be afforded in different municipalities.

Summary of the national urban policies until he mid nineties

In Sweden national urban policy is directed at the three metropolitan regions, and this is a policy area to which little attention has been devoted for long term. The responsibility for urban policy has been moved between the ministries. In the 1970s and 1980s Ministry of Environment was responsible for this area. In 1994 the Government reintroduced the Ministry of Domestic affairs and moved urban policy to that ministry. In 1998 urban policy was split up part of it was move to Ministry of Labour and part of it to Ministry of Finance. In 2002 the urban policy was moved from the Ministry of Labour to the Ministry of Justice.

The focus of the urban policy has changed over time. During the 1960s, housing policy was at the very centre of political interest. The housing shortage was viewed as a major problem. Parliament passed an ambitious housing programme, the so-called “million programme”. The objective was to build one million new apartments over a period of ten years. When the “million programme” was terminated as planned in the 1970s focus of interest was moved to the relocation of state agencies from Stockholm to other parts of Sweden. This relocation strategy became an important element in the new national city-system policy formulated in the beginning of the 1970s. The

objective of this policy was to strengthen regional urban centres. In the 1970s 42 state agencies with in total of 8 700 employees were relocated from Stockholm to 14 regional urban centres. In 1988/89 another four state agencies with 600 employees were relocated in the last wave of relocation (Nilsson 1992). In the last few years some newly established state agencies have been placed outside the capital. In these cases the location decisions have been made without reference to a national city-system policy.

In the 1990s, organizational changes became an important urban issue. Changed economic conditions for municipalities forced them to initiate thoroughgoing organizational changes. One cardinal idea, which was adapted in many municipalities, was to divide up municipal activities into purchaser and supplier organizations. The purchaser organization was expected to formulate the goals for and demands on the production for which the municipality is responsible. These "orders" could then be filled either by municipal entities or by private organizations. The basic idea was to create a marked where politics were responsible for the purchaser organization, which was in charge of demand, while public or private actors under professional management should be responsible for service production.

One dilemma for this organizational model was that politics was cut off from many concrete decisions about how production should be run. Specific changes in nurseries, schools and geriatric institutions etc. were placed beyond the reach of politicians. This meant that local politicians could do very little when there was local dissatisfaction with the activities of an individual institution. They could only refer complaints to those who were responsible for operating the institutions. This dilemma has got many municipalities to abandon the model.

Sweden has long been a net receiver of international migrants. Immigrants have arrived in Sweden for different reasons and their countries of origin are highly diverse. Since the early 1970s refugees and family-reunion immigrants have dominated the influx. Since 1980 has 275 000 refugees and 345 500 relatives got permanent residence permit in Sweden. Today, less than one-third of all first generation immigrants have a Nordic background, about one-third are from other parts of Europe, predominantly Eastern Europe while close to 40 per cent are of a non-European origin.

The labour immigrants in the 1950s and 1960s were normally well received and the integration process was considered to be fairly successful. By the 1980s there was clear signals that a growing number of immigrants faced serious problems of discrimination on the labour market and segregation in housing. Some "immigrant-dense" municipalities in the metropolitan areas started to advocate a more active strategy to spread immigrants more evenly throughout the country. The Government formulated such new strategy aiming at decentralizing refugee reception both administratively and geographically (Andersson 2002).

Despite this dispersion policy, which was in full operation between 1985 and 1994, immigrant densities continued to increase in the Stockholm, Göteborg and Malmö areas. In some immigrant-dense housing areas in these three regions the concentration of people with immigrant background approached

100 per cent. Even during periods of economic boom immigrants had difficulties finding jobs. With the severe economic crisis in the beginning of the 1990s employment rate in some immigrant dense housing areas was less than 10 per cent.

This obvious failure of the integration policy made the immigrant issue a hot political issue, discussed in the context of growing urban poverty, social marginalization and exclusion. One outcome of this debate was that the Government decided to allocate extra funds in a special assistance programme for neighbourhood development in a limited number of segregated and immigrant-dense areas in the big cities. In the first step resources were allocated to Stockholm, Göteborg, Malmö and Botkyrka, which is part of the Stockholm metropolitan region, municipalities. But also other large municipalities or municipalities within metropolitan regions having similar problems could be selected. The aim of the programme was to increase the level of competence and labour market participation rates among residents in immigrant-dense areas and to promote good social development and combat outsidership.

Political attention to the situation of the metropolitan regions increased in the late 1980s. One of the warning bells signalling that something has to be done was the downturn in the participation in elections that was observed in these regions. The Government response was to commission an investigation to suggest measures to change this pattern. In fact the commission chose not to investigate just political activity in metropolitan regions, but to undertake a broad analysis of challenges for these regions. The investigation published a total of 13 expert reports and a final report (SOU 1990:36).

The final report noted that the prospects for rapid economic growth in the Göteborg and Malmö regions were not particularly good. On the other hand, it found many reasons to believe that Stockholm would continue to enjoy a positive economic development in the coming years. Therefore, the investigation concluded that there were strong reasons to stimulate development in the Göteborg and Malmö regions. The major argument was that it would be advantageous for the development of Sweden if the economic potential of these two metropolitan regions could be better utilized. The investigation argued that there was no need actively stimulate economic growth in the Stockholm region. However, it also warned the government against adopting measures, designed to slow the economic growth in the Stockholm region, because such policies could create obstacles to the importation of new knowledge and to Sweden's possibilities of keeping pace with international economic development.

In order to stimulate growth in the metropolitan regions it was suggested that the government take the initiative for a programme for expanding the traffic network in the three metropolitan regions. Before the investigation's final report had been published, the government had appointed three negotiators who, at the government's instigation, would consult with the affected municipalities to draw up proposals for investments in traffic infrastructure in these three regions. These negotiations resulted in three agreements in principle for expansions of the transport systems (SOU 1991:19).

The state of the cities

In the second half of the 1990s Sweden got through its economic crisis and economic growth took off again. In fact in the second half of the 1990s economic growth in Sweden was higher than in the rest of EU. Some of the urban regions that suffered of the economic crisis recovered well. Göteborg and Malmö were among these regions. Stockholm had a strong economic performance during all the decade. However, the situation in Stockholm changed at 2002, when the regional economy started to decline due to problems in the ICT-industry and financial services. Stockholm has lost its role as the engine of the Swedish economy, a fact that did concern people in the region and initiated a new debate on urban policy in Sweden.

This debate reawakened the old political conflict between Stockholm and the rest of Sweden. Representatives from Stockholm underlined the national importance of the economic growth in the region. Stockholm was considered to play a unique role, as a national centre for import of new ideas and products and innovations, in the Swedish city system. From this point of view, it is of vital importance for the whole country that Stockholm is able to fulfil its role in a proper manner. A dynamic capital, which performs well economically, indicates that the region fulfil its role as a national innovative centre. The stagnation in the last year can be interpreted as a signal that the Stockholm region is losing its dynamics.

The new situation in Stockholm demands policy-changes. Three issues are considered to be of special importance for stimulating growth in the Stockholm region – the general subsidy system, infrastructure and housing policy.

Local financing system

The debate on the general subsidy system has been more intense in the last years. The main critic against the system is that financial resources are redistributed from the Stockholm region to other parts of Sweden. In the Stockholm region a majority of the municipalities deliver more tax revenues to the state than they get in subsidies. 14 municipalities are net contributors to the general subsidy system. In a few suburb municipalities their contribution to the general subsidy system is the single largest cost, larger than the municipalities' costs for elderly care and education. In a number of municipalities it has been necessary to increase the municipal tax rates in order to finance their contribution to the general subsidy system.

Just two of the municipalities in the region get a significant contribution from the general subsidy system. One of them is Botkyrka, which is a municipality characterized by low average income and a great proportion of immigrants.

The net contribution from the municipalities in the Stockholm region to the general subsidy system has gradually increased. Representatives from the Stockholm region argue that the general subsidy has developed into a system, which drains resources from the region and slows down the economic growth in the region. The economic stagnation in the region in the last years has made this argument trust-worthy. The general subsidy system is primarily an issue in the Stockholm region. In the other two metropolitan regions the situation is different. In the Göteborg region no municipality is net

contributor to the system, while just two municipalities in the Malmö region belong to this group.

The general subsidy system is regularly revised. The government commissioned another investigation of the general subsidy system in 2001. The investigation suggested modifications in the system, which would reduce the future increase of the Stockholm region's contribution to the system (SOU 2003:88). If the proposed system is introduced the amount of money going from the municipals in the Stockholm region to other parts of Sweden will increase by 13 per cent when the system is introduced and then further 18 per cent in the following the years. The investigation presented the proposal as an advantage for the Stockholm by making a comparison with existing system. If the present system is kept unchanged the net contribution from the Stockholm region is expected to increase by 46 per cent in the next ten years.

One way of characterizing the investigation's proposal is that all municipalities can be considered to be losers if the proposed system is introduced. However, the government can change this situation through allocating more state funds to the general subsidy system. According to the presented proposal municipalities in the Stockholm region will continue to deliver an increasing amount of money to other parts of Sweden, while the net receivers of these contributions will get less money than is the case in the present system. In municipals in sparsely populated regions the revenues from the general subsidy system represents about 40 per cent of the total revenues. The final report of the investigation is sent on hearing to municipalities and public agencies and based on the report and views from the hearing the government is expected to present a bill. This bill has not yet been presented to the Parliament.

Infrastructure

Another hot issue in the urban policy debate in Sweden is the need for investment in infrastructure. In connection with the investigation of the situation in the metropolitan regions the government took initiatives develop proposals for investments in transport infrastructure in these regions (SOU 1990:39). Negotiators were appointed to come up with an agreement with representatives from the regions.

The main thrust of the agreement in the Stockholm region was on investments in the highway network. A complete six lane beltway round the centre of Stockholm and one thoroughfare to the west of the city for through traffic would be constructed. The argument for this investment was that a growing Stockholm, where a large amount of automobile traffic passes through the city, has created a poorer environment and low accessibility for traffic. The beltway would make it possible to lead traffic around the core of the city. These thoroughfares would be financed by tolls. In addition a rapid streetcar system would be laid out, the capacity of the railways would be expanded and the subway system would be improved. The national government and the county councils together would finance the investments in public transport.

The agreement between the government and Stockholm was subjected to much criticism both from concerned citizens and in political circles. The entire

plan, specific parts of the plan and the proposed financing have all been opposed. In 1997 the Minister of Transport and Communications announced that the government no longer backed the plan. The government proposed that the eastern part of the beltway not to be built and that the thoroughfare west of the city for through traffic be postponed. Since then representatives from the business community and from political circles have argued for the need for investments in order to solve the congestion problem in the traffic system.

After the general elections to the Parliament and municipalities in 2002 the issue again was put on the political agenda. Before the election there was a discussion about introducing tolls in order to reduce the traffic in central Stockholm. All major local parties in Stockholm rejected the idea at promised not to introduce such a system if they got majority in the local assembly. However, political circumstances on a higher level made that such a system was proposed after the election. This time the aim of the toll system was just to reduce the traffic in the centre of Stockholm and it was not combined with investment plans in infrastructure. From this point of view the new plan represented a new strategy. The traffic congestion problems in Stockholm will be solved primarily through reducing the traffic volume.

This change in strategy reflects the political circumstances, which gave birth to the proposal. After the election the social democratic government needed support from the Green party in order to secure a majority in the Parliament. The Green party presented the introduction of a toll system in Stockholm as a prerequisite for supporting the social democratic minority government. The local social democrats in the town Stockholm had to, despite the fact that they had promised not to introduce such a system before the election, adjust to the new political circumstances and accepted to introduce a toll system, which will be in operation in 2005. This decision has met strong resistance from the citizens in the region and made the cooperation between the city of Stockholm and the other municipalities in the region more difficult.

Housing shortage

The third issue of major concern is the housing situation. The construction of new houses has been permanently low in the second half of the 1990s and the new houses predominantly were cooperative apartments and private one-family houses. In 1998 almost 80 per cent of the new dwellings belonged to these categories, which means that the new dwellings primarily were built for better off persons. The low rate of building has increased the lack of dwellings in all the metropolitan areas. In the Stockholm region the number of new apartments in the period 1996-2001 is on average 2 300 per year. The average number of new one family houses in the same period is 1 700 per year. Thus, in this period the average addition of dwellings is 5 000 units per year, which can be compared with an annual increase in population of 19 000 inhabitants. In the 1990s there has been a severe shortage of dwellings in the Stockholm area as well as, but to a lesser extent, in the Göteborg and Malmö areas.

There are many reasons for this. In the beginning of the 1990s, during the economic crisis, the Parliament made decisions to abolishing the major part of the interest rate subsidy and the special financial privileges for municipal housing. The major shake-up in housing policy made the cost of new rental

apartments double during the 1990s, making the rental charge an increasing share of the disposable income. The private economic impact of abolishing the old housing policy was reinforced by the deep economic crisis, which reduced the disposable income for many citizens. For quite many one-person households the rent raised to about 40 per cent of their disposable income (Lind 1999). As a consequence a growing number of persons were not longer able to pay the rental charges asked for in new houses. From this point of view the situation was characterized by a combination of need for new apartments and a lack of demand, due to peoples low ability to pay.

Others choose to put the blame on the regulation of the market for rental apartments. According to existing rental control the maximum rents for new departments are linked to the rents in existing comparable houses. That means that a rent ceiling is established. If developer cannot build a new house at a cost in accordance with the rent ceiling no house will be built. Many developers argue that they have difficulties in building at the cost indicated by existing maximum rents. Again, they say the situation is paradoxical because they are certain that there is demand for such more expensive rental apartments in attractive districts. From their point of view abolishing the existing rental regulation system will stimulate the building of new rental apartments. A deregulation of the rent in the housing will also eliminate the illegal market for leases and stimulate turnover in housing. Some small steps have been taken in this direction by way of looking at the attractiveness of different apartments in the rent negotiations between representatives of the house owners and the tenants' association.

The Øresunds-region

In the Malmö region the agenda is quite different. The major happening in that region influencing the prospects of the region and the self-confidence of the policy makers in the region was the opening of the Øresunds' bridge in 2000. Policy-makers in the region see the bridge and the nascent regional integration as a unique social experiment, which is likely to have far-reaching consequences for the Malmö region as well as the Copenhagen region. Initially the debate has started from the premise that due to various obstacles and barriers the integration in the Øresunds region has been held back. The Øresunds bridge and the approach roads has dramatically increased physical accessibility within a geographical area comprising three million people, making it the largest metropolitan region in the Nordic countries.

The Øresund region is considered to have features that make it a relatively complete urban region. In addition it is a major research metropolis in the European city landscape and the region has good communication facilities. Jointly these should make the region attractive to advanced scientific activities and to industries dependent on research and higher education (Törnqvist 2002).

However, policy-makers are aware of that the integration process will take long time. It is easier to build a bridge than to create an institutional framework that support integration. Institutional changes proceed slowly and perhaps even slower in a cross-boarder region, which consist of areas in two countries with different cultures and institutional structures. National institutions may represent serious barriers. Sweden and Denmark have

different laws, statutes, and regulations. These regulation systems may range from taxation, collective bargaining and labour law at the national level, to traffic regulations and opening hours at regional and local levels. The harmonisation process will take time but the process will be made easier by the fact that Denmark and Sweden are both members of the EU (Maskell & Törnqvist 1999). Thus, the national governments hold the key to a successful integration process in the Øresunds region.

The future development of the Øresund region is also dependent on local and regional authorities on either side of Øresund, who will eventually create common decision-making bodies. The creation of such institutions will take long time. There are numerous examples of conflicts between municipalities on both side of Øresund.

Since the bridge opened in 2000 an integration process has started. The number of commuters across the Øresund is increasing slowly and co-operation between universities, hospitals and corporations in the two countries has increased. In this starting integration process many barriers has become evident and initiated negotiations between involved institutions for reducing them. To what extent the strong economic performance in the Malmö region in the last year is reflecting the ongoing integration process is an open question.

National Urban Policies from the mid 1990s up to now

In 1998 the Swedish Government presented for the first time an integrated metropolitan policy (Gov. Bill 1997/98). The Government regarded the Bill as a start of a process of cooperation between central government and the municipalities, county councils and regions concerned. In the metropolitan policy the Government emphasized that increased growth in the metropolitan areas would contribute to increased growth also in the rest of Sweden. The new metropolitan policy has two main objectives.

First, the policy should provide the foundations for sustainable growth in the metropolitan regions. This growth should be able to contribute to increased employment in the metropolitan regions as well as in the country at large. Included in this objective is the ambition that the metropolitan regions in Sweden are able to successfully compete with other regions in Europe for business investments.

Second, the policy should stop social, ethnic and discriminating segregation in the metropolitan regions, and promote equal and comparable living conditions for people living the cities. This objective included many ambitious challenges. The ambition of the Government is that the employment rates in socially disadvantage housing areas should be raised and the citizen's dependence on public allowances reduced. Adult persons in these areas who have not completed their upper secondary schooling or equivalent should have opportunities to do so. Public health, both as measured in the health statistics and as individual person's subjective sense, should be improved and democratic participation should increase in these neighbourhoods.

The responsibility for the metropolitan policy is placed in the Commission on Metropolitan Area, which was appointed in 1999 to develop and coordinate

the national metropolitan policy. The commission consists of State secretaries from seven ministries and from the Prime Minister's office. The Commission monitors and evaluates the impact of the metropolitan policy and presents an annual report to the Government on development in the metropolitan regions. In the beginning the Commission focused mainly on the segregation objective.

Local development agreements, which is a contract signed by the state and the involved municipalities, for designated districts in the metropolitan areas are the measure used to handle the segregation problem. These development agreements contain local objectives, an overall strategy, and an action plan for the city districts covered by the programme. The local development agreements are drafted in a dialogue between the municipalities and the Commission on Metropolitan Areas before they are submitted to the Government for approval. The municipalities have the overall responsibility for implementing the agreements. But much of the work can be undertaken within the framework of local partnerships.

The major argument used for this bottom-up strategy is the need to emphasize on the needs, potential and wishes of the residents. With such an approach officials and other professionals are constantly reminded not to try to take control of the project from the residents. However, the Government make it clear that a bottom up perspective should not be interpreted, as all initiatives have to come from the bottom.

The geographical areas covered by the local agreements are much more limited than the scope of the Bill in general. At present 24 housing districts in seven municipalities in the three metropolitan regions are designated as local agreements areas. In the Stockholm region 16 housing districts in the municipality of Stockholm, Botkyrka, Haninge, Huddinge and Södertälje is defined as socially disadvantage while the other 8 housing districts is in the municipalities of Göteborg (4 districts) and Malmö (4 districts). These 24 housing districts are geographically defined according to somewhat varying principles. The common feature is that in relation to surrounding districts there is an over-representation of persons with low income, persons dependent on social assistance and immigrants.

For the period 1999-2003 the Government has allocated more than SEK 2 billion for these development agreements. These funds are distributed among the seven municipalities concerned in accordance with the proposal of the Commission within the framework of the local development agreements. However, the Commission must, when allocating the funds, take into account the fact that more than SEK 700 million is earmarked for specific areas, in particular pre-schools, compulsory schools, culture and leisure activities. Apart from this, the funds allocated to the designated districts are to be used to finance the measures that are agreed upon by the government and the municipalities in the local development agreements. The agreements are revised annually in a dialogue between the seven municipalities and the Commission of Metropolitan Areas.

The municipalities' undertakings include that they must match the government grants for local development and make every possible effort

in the areas concerned to achieve the objectives of the local development agreements. The municipalities are also obliged to conduct the local democratic dialogue in such a way that citizens in the municipality participate in local development.

The Commission of the Metropolitan Areas is responsible for monitoring and evaluation the programmes. In a fact sheet on the Swedish Government's Budget Bill for 2004 the Government conclude that "although metropolitan policy has involved reversing negative trends, much more progress is needed before these areas can catch up with the average levels for the rest of Sweden" (Ministry of Justice 2003). Some progress has been made. Employment in the 24 housing districts has increased, the share of population receiving social allowances has decreased and the proportion of residents in the 24 housing districts that has at least three years' upper secondary school has risen. These changes are as well associated with changes in the national economic situation as the impact of the metropolitan policy. How important the metropolitan policy has been is unclear. The Swedish Government has an ambitious evaluation programme. It has called upon a special inquiry to draw conclusions from all the evaluations that have been made since 1998. The inquiry's general conclusion will be delivered in March 2005.

The metropolitan policy so far has been an area-based integration policy. One problem with the strategy is that it is unclear of the policy is aimed at improving conditions for individuals and households or at improving the local situation in the selected 24 housing districts. Poor neighbourhoods tend to loose through migration people who manage to improve earning and to receive in-migrants who have a more marginal position on the labour market. Therefore, success for Swedish metropolitan policy in getting more people in the designated areas jobs may not necessarily make noticeable improvements in these areas. After four year of an explicit metropolitan policy it is too early to conclude if the area-based strategy will become a success or failure. We need more research to be able to judge whether or not such strategies might be helpful in combating social exclusion and segregation.

Earlier experiments with area-based programmes have revealed that such strategies makes the institutional relations between state-municipal, municipal-municipal, municipal-sub-municipal and relations between different sub-municipal units critical and problematic. If the area-based strategy is to be successful policy-makers have to address the institutional aspects of the policy more seriously than have been the case so far (Andersson 2002).

At the present stage the two main goals of the metropolitan policy (economic growth and integration) are poorly integrated. So far focus has been on the integration issue. In 2004 the metropolitan policy will enter a new phase. A growth dimension is to be devised and efforts to combat segregation will shift from measures financed with special grants to regular mainstream work. This change will include a more strategically oriented local development work and in-depth collaboration between municipalities, the Government, the business sector and local residents. The Government has encouraged this work by helping to devise a model for making scenarios in the city districts. Some ten

districts have made scenarios for the future of their areas. These scenarios are considered to represent a starting point for developing measures.

In the first phase of the metropolitan policy efforts to promote economic growth have not been given any attention at all. In the second phase more attention will be paid to this aspect of the metropolitan policy. Efforts to boost economic growth will include more municipalities than those that were invited to develop local development programmes. Still, the Government have only in vague terms described the new growth dimension of the metropolitan policy. The Government has announced that continued refinement of the metropolitans' role in a national as well as an international perspective is important and that the Government has the ambition to combine measures in order boost growth and combat segregation simultaneously. Initially the growth promoting work will focus on the growth aspects of the segregation in the metropolitan areas.

As an initial step the Government has announced that they will add a more highly developed metropolitan dimension to overall growth policy by holding regional growth conferences in the three metropolitan regions during 2004. The main purpose of this conference is to be a forum for discussing urban growth issues.

The impact of European policies?

The Swedish Metropolitan policy has in many ways been influenced by European policy. Being a member of the EU since 1995 Sweden has a rather short history of taking part of the European collaboration. The new situation as a member of EU means that Swedish politics participate in policy formulation on the European level, which has opened the national politics for influences from other European countries. Only the fact that Sweden now, for the first time ever, has got a metropolitan policy to some extent reflects these new context of Swedish policy-making. In the last couple of years political attention has moved gradually from the sparsely populated areas in the north of Sweden to urban regions. The new regional policy, which now is developed into a development policy for all parts of Sweden, is one manifestation of this change of perspective (Gov. Bill 2001/02:4).

The EU influence is also visible in the approach chosen by the Government in the first phase of metropolitan policy. The basic approach with local development agreements, in which the municipalities present a strategy, local objectives and an action plan, is inspired by the approach used in the Structural Funds' programmes. The significant role of partnerships in implementing the local development agreements is another tribute to European influences.

Conclusions

In 1998 Sweden for the first time got a policy presented as a coherent metropolitan policy. The new policy aimed at providing the foundations for sustainable growth and to stop social, ethnic, and discriminating segregation in the metropolitan regions.

In the first couple of years the metropolitan policy has been exclusively focused on the segregation issue. Local development agreements for handling

the segregation in 24 housing districts in seven municipalities in the three metropolitan regions have been developed and implemented. The approach used is very similar to the approach used in Structural Funds' programmes. So far the metropolitan policy has been a segregation policy focusing on the situation in very few areas of the metropolitan regions. Thus the present metropolitan policy is a rather narrow policy focusing only one aspect in a few housing areas in the three largest regions in Sweden. The Swedish government has announced that more attention in the next phase will be at the economic growth dimension of the metropolitan regions. Efforts to boost economic growth will include more municipalities than those that were invited to develop local development agreements.

In order to develop a metropolitan policy that responds better to the current situation for the three largest urban regions in Sweden than the existing policy there is need for a much broader approach. Both further aspects have to be included and a greater portfolio of methods has to be used in order to attain the existing objectives of the metropolitan policy.

At present there is a significant gap between the issues discussed in the section about the current situation for the large cities and the content of the new metropolitan policy. Politicians from all parties in the Stockholm region agree on that the financial drainage of the region in the general subsidy system represents a serious threat to the future of the region. They hope that the government will listen to their arguments and change the system. The plan to introduce a toll system has also met strong criticism in the Stockholm-region. This issue hides a conflict in several dimensions. It is a conflict between a majority of the citizens in the Stockholm region and local and national politicians, but there is also a conflict between the social democratic government and the social democrats governing the town district of Stockholm. How this story will end is still an open question.

Concerning the housing situation there is now sign of a permanent change. An upward economic trend may stimulate the construction of new houses, but without institutional changes in the housing market it is difficult to see a solution to the housing problem in Stockholm. At present there seems to be no political pressure for such institutional changes.

The picture of metropolitan regions in Sweden is contradictory. On the one hand, a new urban policy that hasn't addressed growth issues, low investment in infrastructure and housing and a financial drainage of the metropolitan regions. On the other hand, three metropolitan regions that show a strong economic performance in the second part of the 1990s. Obviously, urban development in Sweden is not only determined by public policy. Autonomous processes exert a decisive influence on the development pattern. In the second part of the 1990s these autonomous processes are strong enough to overcome existing barriers to metropolitan growth. So far the new metropolitan policy has not provided the promised foundations for sustainable growth in the metropolitan regions.

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